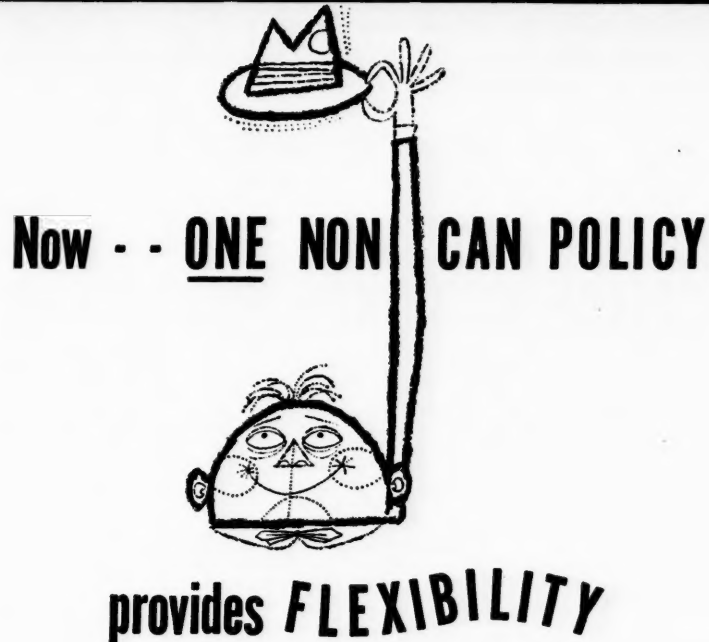


The NATIONAL UNDERWRITER

Life Insurance Edition



6 DIFFERENT BENEFIT PERIODS — 12, 18, 24, 36, 60 and 120 months (Total disability only required benefit.)

8 OPTIONAL BENEFITS — Partial Accident, Partial Sickness, Travel Accident, Accidental Death and Dismemberment, Daily Hospital, Miscellaneous Hospital Expense, Surgical, and Accident Medical Expense.

ON A LOWER RATE BASIS
with these PLUS values . . .

- ★ **DISABILITY DEFINITION** insured's Occupation for 5 years.
- ★ **DISMEMBERMENT** added to Accidental Death Benefit.
- ★ **SEVEN DAY WAITING PERIOD** available with 10 year coverage.
- ★ **NO AVIATION EXCLUSIONS**
- ★ **AUTOMATIC FOREIGN COVERAGE** up to 1 year without permit.

And that's a **UNION**  **MUTUAL PIONEER**

Non-Cancellable Guaranteed Renewable to Age 65

UNION MUTUAL
LIFE INSURANCE COMPANY OF PORTLAND, MAINE
Canadian Head Office — Montreal, P. Q.

America's Eighth Oldest Life Insurance Company

Rolland E. Irish, President

John R. Carnochan, Vice President in Charge of Agencies

FRIDAY, MARCH 30, 1956

LOVE COSTS MONEY

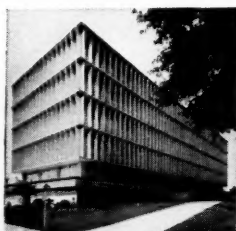


It would not be prudent to trust the lives of those dearest to you in such an obsolete car in today's traffic. Undoubtedly, the safest, most modern car you can afford is the one used to transport your family.

As automobiles go out-of-date with the passing years, so does life insurance. The insurance you purchased years ago may not now be adequate—the job for which it was designed may call for more money, or less—or your original plans may have changed during the years.

A Pan-American Representative will be happy to review your life insurance program. Knowledge of your present situation, and future plans, will enable him to design a "Tailor-Made" program for you and very likely save you money.

Offering all forms of Life Insurance
Group and Pension Plans



one of
America's
foremost
mutual
life
insurance
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LIFE INSURANCE
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"Guardian of Your Tomorrow"

You will be glad your Pan-American Representative called—welcome him.

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2400 Canal Street, Dept. PRM-1356
New Orleans 19, La., U.S.A.

Without obligation, please send me
full information about your "Tailor
Made" Plan.

Name _____
Address _____ Date of Birth _____
City _____ State _____

"When someone's counting on you . . . you can count on life insurance."

In TIME and NEWSWEEK

ads similar to this
are appearing regular-
ly to build prestige
for, and to assist, our
Representatives in
their daily efforts.
Each ad reaches mil-
lions of persons who
are prospects.

This, coupled with
our training, top-notch
sales aids, and our
"Tailor-Made" policies,
designed to meet indi-
vidual needs, will make
more money for you
under

PAN-AMERICAN'S CAREER CONTRACT

"Guardian of Your
Tomorrow" applies to
Pan-American's Repre-
sentatives as well as
its Policyowners.

Crawford H. Ellis
President

E. J. [Signature]
Executive Vice-President

Kenneth D. Hamer
Vice-Pres. & Agency Director

The NATIONAL UNDERWRITER

60th Year, No. 13
March 30, 1956

The National Weekly Newspaper of Life Insurance

Complete Program for Meeting to Set Up New A&S Group

**Faulkner to Give First
Presidential Address at
Cincinnati April 12-13**

The program for the organizational meeting of Health Insurance Assn. of America has been completed. The meeting will be at the Netherland Plaza hotel in Cincinnati April 12-13.

Among the featured speakers will be Walter Williams, Undersecretary of Commerce, Robert L. Hogg, vice-chairman of Equitable Society, J. Dewey Dorsett, general manager of Assn. of Casualty & Surety Companies, and Dr. George F. Lull, secretary and general manager of American Medical Assn.

The address of the first president of the association will be given by E. J. Faulkner, president of Woodmen Accident, who was nominated for the post by the nominating committee of the Joint Committee on Health Insurance.

Possibilities for public relations will be discussed by Frank S. Vanderbrouk, president of Monarch Life, who has been nominated for chairman of the association's public relations committee.

Robert R. Neal, general manager designate, will describe the new association and its functional makeup. Certain staff assignments will be announced.

A modified program of social activities has been planned to include a reception the evening of April 11, a banquet April 12, and a fellowship luncheon April 13.

In discussing the program, Mr. Faulkner, who is chairman of the joint committee, said that the formation of the association successfully culminates the two year assignment of the joint committee to solidify and unify the health insurance business. It is a direct result of the recommendation of task force one of the joint committee which called for a new trade association of the A&S business that would encompass the legislative, insurance department, research, and educational functions and set definite initial and continuing standards of performance for its members. The new organization will supplant Bureau of A&H Underwriters and H&A Underwriters Conference.

By the elimination of present duplication of effort of a two-association structure, Mr. Faulkner said, the business will be provided with a broader, sounder, and more effective approach to the social, economic, and political problems inevitable with the new status of health insurance as a national asset in a free economy.

Occidental Sales Record

Occidental Life of California sales for February totaled \$81,104,543, marking an all-time high for the company. Last month's sales were \$12,870,371 above February, 1955, and \$3,328,689 ahead of January, 1956.

Select Call Chairman, Burnett President of Pacific Mutual

Asa V. Call, president of Pacific Mutual Life since 1942, has been elected chairman of the board. In this capacity he will continue as the company's chief



T. S. Burnett



Asa V. Call

executive. The announcement was made following the annual meeting of Pacific Mutual's directors. At the same time the board elected T. S. Burnett president.

Mr. Burnett, with Pacific Mutual since 1928, has spent his entire business career with the company. He has been a vice-president since 1946, becoming financial vice-president in 1952 and executive vice-president and a director in 1955.

Mr. Call, whose insurance career has been exclusively with Pacific Mutual, is a past president of Life Insurance Assn.

Pacific Mutual also elected as a director, Charles S. Jones, president of Richfield Oil Corp. Mr. Jones also is the immediate past-president of the Western Oil and Gas Assn., a member of the board of American Petroleum Institute and a trustee of California Institute of Technology. He has been president of Richfield since 1937.

All present members of Pacific Mutual's board were reelected.

Mich. Recodification Passes

LANSING—The Michigan legislature during the past week completed enactment of a bill recodifying the state insurance laws.

The measure, more than 500 pages long, was introduced as house bill 1 when the session convened in January, and its senate passage sends it to Gov. Williams for assured signature.

SS Bill Would Nick Many for Double The Income Tax by 1975

Passage of the social security legislation pending in Congress would mean that many citizens in 1975 would be paying twice as much in social security taxes as in federal income taxes, said Albert C. Adams, John Hancock, Philadelphia, secretary of National Assn. of Life Underwriters and chairman of its social security committee, in presenting his report at the recent midyear meeting of NALU in Hartford.

Mr. Adams said that under HR 7225 persons receiving \$4,200 a year would in 1975 be paying almost twice as much social security tax as income taxes, assuming that income taxes stayed at present rates.

"Because so few people realize that the ultimate cost of the program will be tremendously greater than today's social security rates indicate, Congress has found it politically expedient to vote repeatedly for larger and larger benefits," he said.

"However, there is evidence that more and more people are waking up. This seems borne out by the fact that witness after witness testifying before the Senate finance committee urged the senators to reject the bill pending a complete cost study of the whole program.

"Unless Congress heeds such warnings, today a baby may well find that his parents and the short-sighted politicians have mortgaged his future to the hilt."

N. J. Variable Annuity Bills Are Introduced

TRENTON—Legislation has again been introduced in the assembly that would enable New Jersey life companies to issue variable annuities to the public on both an individual and a group basis. This legislation, which is incorporated in a series of three bills, has the approval of the New Jersey department.

The bills are sponsored jointly by Assemblymen Leo J. Mosch, Dominic A. Cundari, and John J. Goff, all of Essex county.

They are similar to the bills introduced at last year's session.

Step-by-Step Plan of Revising NALU By-Laws Projected

**Abandon Plan for All-New
Constitution to Permit
More Considered Action**

By ROBERT B. MITCHELL

So many controversial questions are inescapable in the projected revamping of National Assn. of Life Underwriters' by-laws that gradual modification rather than adoption of a complete new constitution and by-laws now seems to be the indicated course.

At its deliberations at the midyear meeting last week in Hartford, the NALU board of trustees passed the draft of a proposed constitution back to the special committee on by-laws revision with a request that it integrate its proposals into the present by-laws and indicate the priority that each of the suggested changes should have.

Presumably the non-controversial clarification type of editorial changes would come first. Then would come such matters as a new method of selecting nominating committees, a different method of selecting trustees, embodying to some extent territorial representation; and finally the touchiest proposal of all—the extent, if any, to which the national council should have the power to overrule the board of trustees.

Another point of possible controversy is the status of state associations and the degree of control which NALU has over them, since this has a bearing on the highly controversial question of whether the New York state association should be permitted to have company members.

The original plan of the special committee on by-laws revision was to draft a constitution first and then a set of by-laws to implement it. NALU now has no constitution as such. The constitution would take the place of the present part I of the by-laws, with the new by-laws taking the place of part II.

However, prolonged discussion by the by-laws revision committee, which is headed by Harold Baird, Northwestern Mutual, New York, and by the board of trustees made it apparent that it would be extremely difficult to draft a constitution that would be generally acceptable because of the number of important substantive changes that are being sought, in addition to editorial clarification. The plan now is to cut the job down into smaller bites, each to be handled at a separate meeting, in the interest of thorough discussion and understanding of what is being done.

Basis of the discussion at Hartford was the by-laws revision committee draft 3 for an NALU constitution. There was no discussion of a by-laws draft, since it was felt necessary to get the constitution in acceptable shape be-

(CONTINUED ON PAGE 19)

Late News Bulletins . . .

NAIC Zone 3 Meets Apr. 29-May 1

Zone 3 of National Assn. of Insurance Commissioners will hold its annual meeting Apr. 29-May 1 at Lookout Mountain Hotel, Chattanooga. Speakers will be Commissioner Martin of Louisiana, who will talk on recent developments in connection with the A&S advertising code; Chairman Saunders of the Texas insurance commissioners board, who will cover certain aspects of the Texas insurance situation, and Commissioner Bisson of Rhode Island, who will speak on insurance problems growing out of flood disaster.

In addition to these scheduled addresses, there will be the usual informal discussions of agenda items. Entertainment will consist of a reception, buffet and dinner dance together with the many outdoor activities available at this historic resort hotel.

Zone 3 includes Alabama, Florida, Georgia, Kentucky, Louisiana, Mississippi, Missouri and Tennessee. However, all commissioners have been invited and quite a number outside of zone 3 have indicated acceptance.

Patriot Life Extends Direct-Sale Appeal Through Magazine Ads

NEW YORK—Patriot Life of New York has extended its direct-mail, no-agent selling program by advertising in *The American Weekly* magazine, a widely circulated supplement to Sunday newspapers.

A recent full-page advertisement was much along the lines of the direct-mail procedure described in *THE NATIONAL UNDERWRITER* of Oct. 21, 1955. In the heading it is stated that "No salesman calls . . ." The text amplifies this: "No salesman calls on you. You deal directly with Patriot . . . America's largest company offering you life insurance in this convenient way. You alone decide how much insurance you want."

The advertisement offers the reader a \$2,500 15-year term policy with double indemnity at \$1.90 a month at age 30. At age 35 the annual rate is \$23.25 for \$2,500, equivalent to \$9.30 per \$1,000. The advertisement states that the policy is issued "at the lowest annual rate of any leading U.S. company, usually without medical examination . . ."

Berkshire Life Names Covell Agency V-P

Berkshire Life has appointed George D. Covell agency vice-president, effective April 2.



G. D. Covell

Mr. Covell, in the business since 1930, has been manager of Connecticut General Life at Pittsburgh for six years. He was with Travelers before joining Connecticut General as assistant manager in Hartford in 1942. He was named manager at Chicago in 1944 and, in 1948, went to Pittsburgh where he developed and directed the field management training center.

Mr. Covell is president of Pittsburgh Life Agency Managers Assn. and is a CLU.

U. S. Court Rules Gas, Oil Royalties Not Taxable

Judge Rice in United States tax court at Washington upheld the contention of General American Life that gas and oil royalties it received did not constitute rent and that the internal revenue service erred in determining that these royalties constituted taxable income. However, the judge held that premium royalties received by the life company for mortgage debtors who prepared their mortgage loans constituted additional interest charges and were therefore taxable income.

Directing that a decision be entered under rule No. 50—which provides that the parties shall adjust the difference is working out a final settlement—Judge Rice referred the \$10,269 tax claim case against General American to the company and internal revenue lawyers for settlement.

The life insurance bill recently signed by President Eisenhower defines mortgage penalty payments as interest and gas and oil royalties as rent, making them taxable. Under previous law there wasn't a clear definition of the status of the penalty payments and the royalties in question.

Street Demonstration Part of Union Plan, Prudential States

NEWARK—Prudential has issued the following statement:

"Today's street demonstration at the home office in Newark by some of our district agents was simply part of the previously prepared and announced plan of the insurance agents international union (AFL) to attempt to harass the company and pressure it into accepting the union's unwarranted demands during current contract negotiations.

"These negotiations, which have been in progress since Jan. 16, at Washington, D.C., and which are being participated in with complete good faith by the company, have already resulted in tentative agreements on many major issues. The company's proposals include an offer to increase the average agent's cash earnings by \$5.68 weekly which would bring the average cash income to over \$130 weekly. In addition, the offer included additional fringe benefits amounting to \$1.03 weekly.

"Among the remaining questions to be resolved are grievance procedure, the size of debits serviced by district agents, and the length of time the new contract will run.

"The company feels, and believes the public will agree, that these issues certainly will be better settled by conscientious and mature discussions over the bargaining table than by ballyhoo, street parades, picketing, and slowdown tactics. In our judgment, it is poor procedure for writing a fair and just contract and, of course, will not influence our thinking on the unsettled questions. As a matter of fact, such ill-conceived actions may interfere with our efforts to bring about a new agreement promptly that will be in the best interests of our policyholders, the company and the district agents."

Cont. American Boosts Nichols, DuPont, Mayer

Continental American Life has made these promotions:

Lee H. Nichols Jr. becomes 2nd vice-president in charge of mortgage loans. With the company since 1928 except for military service, he has been treasurer for two years.

Eleuthere I. du Pont becomes treasurer. He joined the company as assistant treasurer in 1954 after being in banking.

Harry Mayer Jr. becomes assistant superintendent of agencies. He joined the company in 1935. Four years ago he joined the Wilmington agency and has won production honors.

Peerless, United L&A Appoint Pirie Advertising Director

William C. Pirie has been named director of advertising and public relations for Peerless and United Life & Accident. Both companies have set goals of doubling premium volume by 1960 and are accelerating their programs of advertising, sales promotion and public relations to help accomplish the goals.

Mr. Pirie entered public relations work as advertising manager of Lynn, (Mass.) Gas & Electric Co., and later was with Fred Waring Corp. in New York City, McGraw-Hill Publishing Co. as a managing editor, Sylvania Electric Products as assistant advertising manager and National Assn. of Electrical Distributors as public relations director.



Snapped in the Statler lobby at the NALU midyear at Hartford: William Pryor, Connecticut Mutual, Milwaukee, chairman of the committee of agents; W. F. (Woodie) Wood, Southland Life, Dallas; Herbert M. Holcomb, Life of Virginia, Dallas; and R. L. McMillon, Business Men's Assurance, Abilene, Tex.

Manhattan Issues 'Family Plan' Policy

Manhattan Life has introduced a "family plan policy" designed to cover all members of a family under one contract, with a single inclusive premium.

The policy, for the younger family man, will be issued to him and his wife up to age 40. Any number of children may be included with their parents. The principal amount of insurance is usually on the father, but may be on the mother if she is the main support of the family. When the father is the applicant, he may be insured for a maximum of \$4,000, which is one unit. The wife is insured for \$2,000 and each child for \$1,000. If the wife is the applicant, she may be insured for \$4,000, the husband for \$2,000 and the children for \$1,000 each. The minimum issue will be a half-unit.

Since children may be included in the original policy even though they are born after it is issued, the contract may be sold to couples under age 30 without children.

The annual "common" premium rate is \$226.42 for two or fewer children, \$229.82 for three or four children, and \$233.20 for five or more children. On this basis, the increase in annual premium from two or fewer children to three or four children is \$3.40, from two or fewer to five or more is \$6.78, and from three or four to five or more is \$3.38. Double indemnity on the applicant's life is \$4 a year. The policy also may be issued in 11 sub-standard classifications.

If the applicant is living at the end of the 20-year period covered by the policy, the plan matures as an endowment. In the case of a single unit, \$4,000 would be paid plus any accumulated dividends. If the applicant dies within the 20 years, \$4,000 is paid to the beneficiary, and coverage on the wife and children continues without further payment of premiums for the balance of the 20 years.

Insurance on the applicant's wife becomes payable at death prior to the end of 20 years, while that of any insured child is payable at death prior to age 20. In either case, the amount of the endowment paid at the end of the 20-year period is not affected, provided premium payments are continued by the applicant.

In standard policy issues, premiums are waived for the applicant's total and permanent disability. If disability occurs prior to age 60, coverage on all family members continues without payment of premiums for the duration of the disability. The amount of en-

(CONTINUED ON PAGE 19)

Schaaff Doubts Future for Multi-Line Agents

It is not likely that the time will ever come when all life agents will handle every form of coverage, Charles H. Schaaff, vice-president of Massachusetts Mutual Life, told 400 members of District of Columbia Assn. of Life Underwriters.

Mr. Schaaff, who was referring to a prediction by a leader in the business that life, A&S and all lines of general insurance eventually will be handled by the same agent, said the multiple line operation is not desirable for the agent or the client. The market is large enough and life insurance is complex enough to require full attention of professional men. Life insurance is a basic element in today's economy and is a necessity in individual and corporate planning.

"I do not believe that the public can be properly served by men who are part time life insurance men any more than the patients can be properly served by a part time physician," he said.

Mr. Schaaff said the number of businesses in the U.S. has increased 25% in the last 10 years and, based on continued prosperity and product development, can be expected to show an even greater increase. Sixty percent of these firms are not covered by any form of business insurance and, since group and pension plans are a relatively modern innovation, the number of businesses without this coverage will run even higher. He emphasized that trends in insurance marketing can be expected to show a marked change in methods and a greater degree of specialization than in the past.

Nominated for election in May to three positions on the board were Colin Campbell, Provident Mutual; Wayne E. Dorman, Penn Mutual; Robert P. Gatewood, Lincoln National; Gordon I. Abrams, Northwestern National; Glenn O. Montgomery, Metropolitan, and Rudolph Arkin, Massachusetts Mutual.

Pru Raises Limits of Ordinary Non-Medical

Prudential has increased the limits of issue of ordinary non-medical life.

The maximum that now may be issued without medical examination to applicants at ages 10 to 30 is \$15,000. At other ages up to 40, the total limit of non-medical insurance also is \$15,000, but the amount that may be issued during any 2-year period is limited to \$10,000 at ages 0 to 9 and 31 to 35 and to \$5,000 at ages 36 to 40.

Iowa, Mississippi and Oklahoma law requires modifications of the \$15,000 limit.

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Variable Annuity Thoroughly Damned, Praised at Insurance Law Conference

Friends and enemies of the variable annuity who attended the University of Miami's annual insurance law conference got some highly usable ammunition for their respective positions from the talks of three life insurance executives. On-the-fence listeners, hearing such divergent views from eminent life insurance executives, must have been more confused than a jury after listening to the summations of opposing counsel.

Rowland H. Long, general counsel of Massachusetts Mutual, effectively marshaled the standard objections to the variable annuity and added a few touches of his own.

Jack T. Kvernland, executive general manager of Prudential, offered facts and figures in support of the need for a variable annuity and in opposition to the objections most frequently raised against its issuance by life companies.

President George E. Johnson of Variable Annuity Life confined himself mainly to explaining the genesis of the variable annuity and factual data about the contract in general and the policies issued by his own company in particular.

Mr. Long is opposed even to letting the new type of contract be called an annuity, no matter how it may be qualified by such modifiers as "variable."

"The term 'variable annuity' is inherently and unavoidably deceptive," he declared. "A variable annuity can hardly be sold without a peek into the future, and any enterprising salesman will help the prospect to take a peek at high returns. All very rosy in 1956, but what about 1976?"

"Stripped of unessentials, the variable income contract is nothing more nor less than an interest in a portfolio of common stocks, with all the incidents found in the management of such a portfolio. Anything in the investment field is based on hope—great expectations. Truly descriptive names for such a contract, among others, would be a 'speculative income contract,' or a 'variable income contract.'"

"The speculative character of the contract should not be hidden behind the word 'annuity.' Good public relations demand that the advocates of a variable income contract abandon the term 'variable annuity.' Carrol M. Shanks, president of Prudential, defined public relations as 'doing more of what people like and less of what they don't like.' Are people going to like getting less than an insurance salesman may have led them to believe they would receive?"

Besides arguing that it would be impossible to get agents to sell variable annuities honestly, Mr. Long cited these objections to the variable income type of contract: the right approach is to fight inflation, not try to offset it with equity investments; balance between variable income investments and fixed-dollar investments would be impossible to achieve by statute; the parallelism between living costs and stock prices is not constant; inflation is mainly due to war, so unless a third world war is assumed inevitable there is no need for variable annuities; buying of stocks to fund variable annuities might run stock prices up to unrealistic heights; insurers might be criticized as having too much control of companies whose stocks they would buy; troubles arise when all assets are not held for the

benefit of all policyholders; the securities and exchange commission has indicated it will hold hearings on variable annuities and may well assert its authority over such contracts; if SEC doesn't get such authority, it's probable the federal trade commission will seek to control variable annuity advertising.

Discussing inflationary factors, Mr. Kvernland cited authorities to prove that further price rises may be expected even without war. He quoted a statement by Prof. Sumner Slichter of Harvard which concluded: "One is forced to the conclusion that there is at least a strong probability that the long-run movement of the price level will be upward. Although this is not certain, it is much more probable than either a long-run decline in prices or long-run stability of prices."

Mr. Kvernland also quoted a statement by President Vannevar Bush of the Carnegie Institution, in connection with its new retirement plan: "A retirement plan based half on equities and half on bonds would have come closer to providing an invariant real income after retirement than one based on bonds alone. History is the best guide we have, but we cannot be sure it will repeat itself, even in its major features. To accept it absolutely would be naive, but to disregard it would be shortsighted, indeed."

Variable annuities should be sold by life agents, Mr. Kvernland emphasized: "It is preferable for variable annuities to be sold by companies and agents that have something else to sell,

that 'something else' being the traditional fixed-amount plans. With this variety of plans in his kit, the agent is unlikely to have a personal financial stake in slanting all sales arguments in favor of the variable type plan exclusively."

Mr. Kvernland objected to the subsidiary-company plan of issuing variable annuities because it would involve needless complications; it might make joint use of the parent company's sales force difficult; and the New York law restricting the investment of an insurer's funds in those of another insurer stands as a barrier. If the subsidiary were to be not a life company but some new kind of special-purpose insurance company, there would be need for enabling legislation in 48 states for companies wanting to operate nationally.

"It is probable that one use of variable annuities will be to provide an additional optional mode of settlement for life insurance death proceeds," he added. "It is natural and logical that such an option should be offered by and within a life insurance company. In addition, such life insurance features as a disability premium waiver, or a term insurance element in a death benefit—which might well be appropriate in a variable annuity contract—can only be offered by a company authorized to write life insurance."

"As another big reason why the wholly-owned subsidiary approach is not suitable, bear in mind that a major use of variable annuities on a group basis will involve deposit administration type plans where the policyholder may wish to use the variable basis only during the accumulation period with a shift to fixed-dollar benefits

(CONTINUED ON PAGE 14)

Amplifies Comments on Bank-Loan Plan

The following letter to the editor concerning a story in last week's issue was written by Gerard S. Brown, Penn Mutual Life, Chicago, chairman of the National Assn. of Life Underwriters committee on federal law, legislation.

It was very gratifying to find that you were sufficiently impressed with the importance of our discussion of the bank-loan plan at the NALU mid-year meeting at Hartford to give it front page position. As I mentioned to you on the telephone this morning it will be well to clear up a couple of points which could easily lead to misunderstanding, and I am glad that you fully agree. There is so much news in a short time at those meetings that an occasional reporting mistake is understandable.

To begin with, the heading mentions "Crackdown by Treasury Department." As I explained to you the Treasury Department can only recommend corrective legislation. The bank-loan plan is perfectly lawful today with respect to policies with five or more annual premiums except in cases in which a substantial number of premiums are paid in advance. The portion of the internal revenue code dealing with this type of transaction is section 264. That would have to be amended by Congress in order to establish restrictions disallowing interest deduction on the types of bank-loan plans which are being sold today. The function of the Treasury Department in this subject is to call the attention of the ways and means committee to the loophole and request corrective legislation. That is the purpose of the study now in progress. As I stated at Hartford, the Treasury Department has not reached a final determination on procedures as a department and I was quoting the opinions of two high Treasury Department officers.

In answer to the question which you asked me, let me repeat what I said at Hartford, that they are as anxious as we are to be sure that any new language reaches only this type of transaction and does not restrict allowance of deductions for interest on loans made for the thousand and one customary purposes for which policyholders borrow on life insurance.

For the same reasons stated above you will recognize the fact that I was not correctly quoted in the paragraph at the bottom of page 1, commencing "Mr. Brown countered . . ." The Treasury Department cannot set a cut-off date under the present law. What I said was that when the 1954 code was introduced by the House ways and means committee, section 264 contained a provision which disallowed deduction of interest on money borrowed to purchase single premium annuities. Single premium annuities had been omitted from this section in the 1939 code and the purpose of the cut-off date was to prevent high-pressure selling campaigns on the basis of pending legislation before the date of its passage. I added that it would not be surprising if any legislation to correct the existing bank-loan type of selling would also contain a cut-off date and that it would be impossible to predict what that might be or how it would be phrased. I therefore stated that if I were a prospect, I would not buy the plan for that as well as numerous other reasons, and that if I were a salesman featuring the plan I certainly would not want to offer it in view of the restrictions which might be forthcoming.

COMMONWEALTH LIFE

INSURANCE COMPANY

More than 900
successful agents
in seven states



HOME OFFICE:
Commonwealth Building
Louisville
The Tallest, Finest Office
Building in Kentucky

Actuaries' Society Lists Topics for Eastern Meeting

Society of Actuaries will hold its eastern spring meeting April 19-20 at the Hotel Statler, Hartford. William M. Anderson, North American Life of Toronto, president of the society, will preside over the business session the morning of April 19. The remainder of the meeting will be under the guidance of two vice-presidents of the society, Malvin E. Davis, Metropolitan Life, and Charles A. Spoerl, Aetna Life.

The meeting will include informal discussions of social security, group insurance, A&S, and underwriting.

The social security discussion will include:

A. What are the problems presented by the proposed legislation to provide cash total and permanent disability benefits under OASI?

B. What are the main considerations involved in the proposal to lower the OASI retirement age for women from age 65 to age 62?

C. What are the advantages and dis-

advantages of bringing the personnel of the United States armed forces under OASI, thereby substituting a uniform system of survivorship benefits for them in lieu of the present variety of benefits?

D. To what extent have state and municipal employees been brought under OASI?

E. What are the current developments in Canada?

The group insurance discussion will include:

A. To what extent are separate records and accounting of the varied types of group A&S coverage being maintained? 1. What economies can be realized by combining? 2. What special problems as to underwriting and dividends have arisen?

B. What are the practices of group insurance policyholders with respect to the continuation of coverage on their retired employees: 1. As to life insurance? 2. As to other group coverages?

C. With respect to life, A&S and annuity coverage of small groups (under 50 lives): 1. What combinations of benefits are being made available? 2. What underwriting and administration

problems have arisen? 3. What special marketing problems are there?

The underwriting discussion will explore:

A. In view of the substantial progress in reducing occupational hazards in industry and of the marked rise in the standards of living of employees in industry, has it become appropriate to consider granting standard insurance to persons in virtually all occupations hitherto rated substandard?

B. In view of the improvement in civilian flying safety and of the greater flying activities on the part of a large portion of the population, does it appear appropriate to consider granting standard insurance to most civilian flying personnel?

C. If most civilian aviation and other occupational hazards were disregarded, would consistency require changes in the underwriting of certain physical impairments? What changes, if any, seem indicated?

D. To what extent would "standard" mortality be affected by each of the measures indicated in A, B and C above?

A&S talks will treat:

A. What have been the recent developments in expanding major medical expense coverage under (a) individual policies and (b) group policies?

B. What progress has been made in providing hospital, surgical and medical expense coverage beyond age 65 under (a) individual policies and (b) group policies?

C. What are the important long-range questions involved with the type of individual A&S that guarantees renewability with the right reserved to increase premiums on the class? What are the federal income tax implications? What reserve problems are involved?

D. What steps are being taken to extend individual A&S to persons who are substandard for medical reasons?

A general discussion will include:

A. What have been some of the recent developments in the use of (a) sampling techniques and (b) quality control in actuarial work?

B. What have been the more important administrative measures taken to reduce expenses on small ordinary policies? What success has attended such measures?

C. In view of the shortage of college graduates entering actuarial work, is there anything that the Society of Actuaries or the local clubs should do either at the college or secondary school level to improve the situation?

Christopherson at Toronto for North American L.&C.

R. W. Christopherson has been named group sales supervisor for North American Life & Casualty in its Canadian department at Toronto. Mr. Christopherson for five years was in group sales and service for Sun Life of Canada.

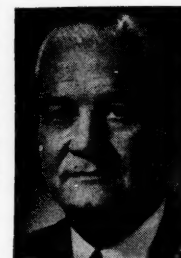
Texas Board Denies Insurers Claim on \$152,000

The Texas commission has denied a request by Great Plains Life of Lubbock for return of \$152,000 deposited with the state by Texas State Life of Dallas. Texas State merged with Great Plains in 1951. The commission said by the reinsurance agreement Great Plains took over all assets of Texas State, including the assets on deposit.

Records show that the depositing company has outstanding liability to policyholders, the commission said, and Great Plains has not complied with the rules by depositing other securities of equal amount and value to those withdrawn.

Consumers Resist Intangible Service Costs, Clark Says

The life insurance business is more vulnerable to the thumbs-down judgment of the buying public than are TV manufacturers because life companies meet the same sort of resistance to price that all industries operating in the public service experience, President Paul F. Clark of John Hancock told 500 leading district agents at their annual 3-day President's Club meeting at White Sulphur Springs.



Paul F. Clark

Mr. Clark, who was talking about the expenses involved in life insurance distribution, pointed out the consumer always opposes the expense of service—largely because it is intangible and he cannot grasp it, either physically or mentally.

Management must think in terms of increasing the over-all productivity of the company in all its components without increasing expenses, and the agent must work out his own opportunities, capabilities and ambitions to increase his individual productivity, Mr. Clark said. He urged agents to figure out their own methods of automation, such as ways of covering territory in less time, turning individual sales into family sales in the same interview, telling the group and business insurance stories to local businesses, and planning calls effectively.

Bryon K. Elliott, executive vice-president, said the company has benefited greatly from installation of a large-scale digital computer, a developing program of writing smaller policies in field offices without recourse to the home office, and the new lines of ordinary policies.

A record writing of \$391,859,724 was presented to Mr. Clark as a tribute to his leadership by Vice-president Frank B. Maher on behalf of the district agency force. Exceeding any previous record by \$50,496,439, the production was achieved during the first 11 weeks of 1956.

David J. Ward, San Diego, and John E. Keefe Jr., Bridgeport, Conn., were named leading district agent and leading assistant district manager of the year, respectively, for production. The Quincy, Mass., district office won the president's trophy for general excellence of performance.

Phoenix Mutual Attains \$1.5 Billion in Force

Phoenix Mutual Life has passed the \$1.5 billion mark of insurance in force. January sales were \$16,853,000, up 45%, and February sales totaled \$17,212,000, up 51%.

Bankers National Life to Offer Scholarships to N.J. Students

Bankers National Life will offer scholarships totaling \$500 to be divided equally between a boy and a girl graduate of Verona, N.J., high school in 1956. Purpose of the award is to give some financial support toward education of qualified students.

Recipients will be selected by the school guidance officer. The students must intend to continue their education, be in need of financial aid and have applied for it, and be in the upper quarter of the graduating class.

LIFE AND CASUALTY is going places

"Growth of Life Insurance in Force"

1955 \$1,257,000,000

1944 \$471,000,000

1934 \$172,000,000

Life and Casualty is now known as America's fastest growing Billion Dollar Life Insurance Company. Our goal for 1960 is to reach over Two Billion Dollars of life insurance in force. L & C field men will share in this increased income. It pays to be with a company that is "going places".



List LIA Chic

The LIAM Chicago The afternoon Nebraska Looker cent co of A&H writers Washin ner, pro Life, w Arde of Pru an ever sion on Commis Partici chairm Milton Metrop assistan tional; counsel Jr., ex Ocean.

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List Speakers for LIAMA A&S Meet in Chicago April 9-11

The program has been arranged for LIAMA's A&S meeting April 9-11 in Chicago.

The April 9 session will begin in the afternoon, with Director Pansing of Nebraska speaking on "A Commissioner Looks at A&S." Robert R. Neal, resident counsel in Washington of Bureau of A&H Underwriters and H&A Underwriters Conference, will describe "The Washington Atmosphere." E. J. Faulkner, president of Woodmen Accident & Life, will speak on "What Next?"

Ardell T. Everett, 2nd vice-president of Prudential, will be moderator for an evening question and answer session on National Assn. of Insurance Commissioners rules governing A&S. Participants will be Director Pansing, chairman of the NAIC subcommittee; Milton A. Ellis, 3rd vice-president of Metropolitan Life; S. P. Hutchison, assistant counsel of Washington National; D. S. McNaughton, associate counsel of Prudential, and J. W. Scherr Jr., executive vice-president of Inter-Ocean.

The April 10 session will open with Raymond H. Belknap, president of U.S. Life, speaking on the topic, "From the Top." John W. Saylor, vice-president in charge of sales of Business Men's Assurance, will ask "What Do We Do?" Clarence J. Skelton, senior vice-president of Republic National, will discuss "A&S Selection, a 4-Way Partnership." Stuart C. Ferris, consultant of LIAMA, will speak on the subject, "Accentuate the Negative."

R. Earl Denman, Pacific Mutual, will begin the afternoon session by discussing "Financial Security at Bargain Rates." Carl A. Ernst, director of the A&S department of North American Life and Casualty, will speak on the topic, "Swing Your Partner." Walter F. Schmitz, assistant vice-president of Occidental of California, will describe "Sales Training in Business A&S." Robert E. Wooster, director of training of Monarch Life, will speak on "Reverse English." Charles T. Kingston, general agent of Union Mutual Life, will discuss "The Correlation of Estate Planning and the Sale of A&S."

The final session on the morning of April 11 will be opened by Charles N. Walker, associate actuary and manager of A&S of Lincoln National, who will speak on "Outer Space." Richard W. Michaels, vice-president of Federal Life & Casualty, will talk about "Motivating the General Agent." Charles J. Zimmerman, managing director of LIAMA, will deliver the closing address, "LIAMA and A&S," and discuss the organization's present and future activities in A&S.

Calgary GA Leads 1955 Volume for Occidental

For the first time Occidental Life of California's 100 leading agents topped the \$1 million mark in average paid life volume in 1955. General agent Paul Krysky, Calgary, Alberta, led the field in volume with \$2,321,020, while 38 other Occidental men sold over \$1 million in this category.

Frank J. Longo, DeVries & Associates, Los Angeles, ranked first for the second time in three years in premium production, and Harry Van Setten, Miller-Underell agency, London, Ontario, took first place in A&S production. The Leisure, Werden & Parry agency, Los Angeles, was first in paid life volume and premiums.

Ohio Agency, Denver GA Win Pacific Mutual Awards

The Gantz agency, Cincinnati, won for the second time the president's award as leader of the general agency force of Pacific Mutual Life in combined paid premium volume. Established two years ago, the award was won by the Gantz agency both years.

Nolan Twibell, Denver general agent for Pacific Mutual, has won the company's agency association's silver trophy for the best all-around record.

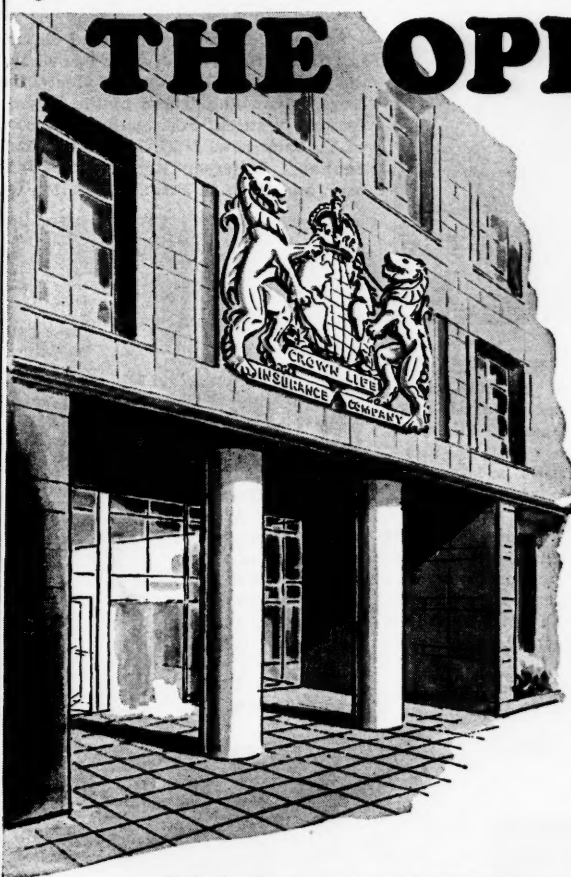
Kaplan Produces for 1,000 Consecutive Weeks

Solomon Kaplan, Bankers National Life, Hartford, has set a company record by submitting at least one application a week for 1,000 weeks. The applications represent sales of \$4 million.

Mr. Kaplan, with Bankers National since 1930, has qualified for honor groups for 20 years and has been top producer in Connecticut for five years. He also manages a fire and casualty business in Hartford.

Karlin Quits N. Y. for Empire Mutual Post

William Karlin is resigning as assistant deputy superintendent of the liquidation bureau of the New York department, to become underwriting vice-president of Empire Mutual. He was appointed to supervise the liquidation of international workers order and IWO cemetery department. Prior to this special assignment he had been a department examiner for 16 years.



THE OPEN DOOR

*Men and Women
in every walk of life
bought 27% more
Crown Life insurance
in 1955
than ever before*

New policies \$251,787,171.

*This outstanding growth is a measure of
the public's acceptance of Crown Life
and its representatives.*

Policies in force \$1,444,852,428.
*In fifty-five years Crown Life has become
a major life company.*



Assets \$219,848,571.
*These funds assist in creating new homes,
industrial expansion and public services.*

**Paid or credited to living policyholders
and beneficiaries \$33,324,533 in 1955.**
*This is the 'miracle of life insurance'
at work.*



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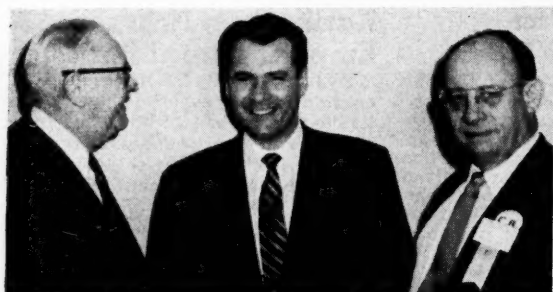
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2716 A



Chatting during the NALU mid-year meeting in Hartford: Maxwell L. Hoffman, comptroller of NALU; Herbert S. Loepere, sales manager of the Statler hotel, where the meeting was held; and Stanley C. Collins, president of NALU.

J. A. C o p c, Berkshire, president of Hartford General Agents & Managers Assn.; Samuel Shackelford, senior consultant of LIAMA; and Lester O. Schriver, managing director of NALU.



H. R. Hill, Life of Virginia, Richmond, with two George Albrights. Next to Mr. Hill is the assistant to the president of Life of Virginia, while at the right is the vice-president and agency director of National Standard of Orlando.



Snapped during the national council meeting during the NALU midyear at Hartford: front row, Arthur F. Priebe, Penn Mutual, Rockford, Ill., chairman of the Million Dollar Round Table; Miss B. B. MacFarlane, Pan-American Life, New Orleans, chairman of the Women's Quarter Million Dollar Round Table; George Neitlich, Metropolitan, Boston, president of the American Society of CLU; back row, NALU Trustees Jack White, Prudential, Los Angeles; O. P. Schnabel, Jefferson Standard, San Antonio; Quan Lun Ching, Prudential, Honolulu; and Oren D. Pritchard, Union Central, Indianapolis.



Osborn Bethea, Prudential, Newark; C. J. Zimmerman, managing director of LIAMA, who will become president of Connecticut Mutual, and R. C. Johnson, vice-president New York Life.

Rev. Gurdon T. Scoville of Westminster Presbyterian Church of West Hartford; L. V. Drury, Sun Life of Canada, Philadelphia, GAMC secretary, and Lewis W. S. Chapman, LIAMA.



Four Chicagoans at the midyear meeting of NALU in Hartford: Robert Reno and Philip B. Hobbs, both with Equitable Society; Freeman Wood, Lincoln National, J. M. Caffrey, John Hancock.



The NALU midyear at Hartford got these brothers together for a visit: Arthur M. Grayson (left), Travelers, Hartford, and Louis J. Grayson, Travelers, Washington, D.C., a trustee of NALU.

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Douglas B. Whiting, President

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Group Sales	6,000 to 12,000
General Agent	7,500 to 15,000
H. O. Underwriters	6,000 to 7,500
Actuary	6,000 to 20,000
Claims Positions	5,500 to 7,500
Comptroller	7,500 to 12,500
Credit Life V.P.	9,000 to 11,500
Investment Mgr.	10,000 to 14,000

All inquiries confidential.

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A&S Join Office

Some member methods sored by ence an Assn. at Talks measure issue p workshop Edward ety, spea he belie cant dec many pe "What s worker hours on that fails except h quitting

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A&S, Life Men Hold Joint Session on Office Procedures

Some 150 representatives from member companies attended the office methods and procedures forum sponsored by H&A Underwriters Conference and Life Office Management Assn. at Chicago this week.

Talks on job enlargement, work measurement, claim procedures, and issue procedures were followed by workshop sessions.

Edward A. Robie of Equitable Society, speaking on job enlargement, said he believes there has been a significant decrease in the satisfaction that many persons receive from their work. "What should we expect from the worker who spends all his working hours on a simple routine operation that fails to challenge anything in him except his desire to stick it out until quitting time and the next payday?"

"In recent years a few companies decided they had more routine jobs than they had routine people," Mr. Robie said. "They decided it is possible to vary job design to fit people as well as to place and train people to fit jobs."

"They have undertaken to raise the skill demands of many of their jobs, to include a variety of related but unlike duties, and to give the employee an opportunity to make some decisions about how the work should be done. Their success has been sufficient to bring them some degree of notoriety and the term job enlargement has been coined to describe their approach."

"Electronic machines have the job enlargement philosophy built in with a vengeance, since they will eliminate many existing routine jobs and require levels of skill on new jobs that we may have considerable difficulty in finding and training people to reach."

Joseph T. Cosby, Metropolitan Life, said a subcommittee study revealed a number of companies were successfully applying principles of work measurement. He said any such plan will need the attention of top administrative officers at the start to establish objectives and shape the program. Developing the plan in operating detail can be expected to require the attention of a competent operating man over a period of several months.

A panel discussion on claim procedures was moderated by Robert B. Savage, Wisconsin National Life, chairman of the conference-LOMA joint committee. Panelists were George F. Monks, New York Life; E.W. Beresford, Old Line Life, and F. L. Larger, Washington National.

"Claims handling with all its ramifications has properly been called art rather than science," Mr. Monks stated. "We have tried to break up claims handling into two areas. One area requires the exercise of claims handling judgment and experience. The other falls into somewhat of an automatic routine wherein the same facts always receive the same disposition. We have tried to place this latter area, in both the branch office and home office, on a so-called scientific basis by laying down specific rules, thus eliminating time-consuming individual decisions on the routine and repetitious situations. This has permitted volume handling of routine operations with accuracy at a clerical level."

Mr. Beresford reported that a check of policyowners complaints regarding benefit payments revealed that in most

cases the company had made payment promptly but the general agent had failed to deliver the check as soon as he received it. In some cases the agent had just made a trip to the policyowner's territory so he held the check and delivered it on his next regular visit. Because from the customer's viewpoint the most important thing is for him to receive his money as soon as possible, it was decided to mail the check direct, sending the agent a notice of payment so that about a week or 10 days later he could call on the policyowner and inquire about the ser-

vice and discuss changes or increases in coverage. Though originally an experiment, the plan now is regular procedure and it is accepted by the field force.

Mr. Larger explained his company's claims are paid by draft, either by general agents or from the home office. At the request of the policyowner, a claim blank is furnished by field representatives or from the home office. If the blank is supplied by the field representative, he gives the home office notice of the new claim using a

(CONTINUED ON PAGE 14)

Mass. Mutual Names 2 to Advanced Sales

Massachusetts Mutual Life has appointed E. James Stephens and William J. Clark superintendent and assistant superintendent, respectively, of advanced underwriting sales.

Mr. Stephens, who joined the company in 1937, was named agency assistant in 1950 and manager of pension trust sales in 1952. He is a CLU.

Mr. Clark joined the pension trust division in 1950 and was named assistant manager in 1952.

THEY STAY WITH US

Every growing business has the normal experience of getting new customers and losing occasionally some old ones. A certain amount of this is inevitable.

In our own case, we are able to report that from the time we began publication in 1897, we have had a steady increase in the number of our advertisers and readers. They have joined us in growing numbers, but what is even more important in the long run, they have stayed with us.

As a result, for many years we have had the highest renewal ratio of any insurance paper belonging to the Audit Bureau of Circulations. Aware of this, our advertisers renew and often increase their contracts year after year.

Such an outstanding record of approval by both readers and advertisers over a period of more than 59 years tells our story more convincingly than anything we might say.

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Uninformed Public Leads to Complaints on A&S, Davey Says

Failure to understand policy coverages and exclusions is the cause of 99% of all claim complaints in the A&S business, Commissioner Davey of Indiana told a meeting of Indianapolis Assn. of A&H Underwriters.

"The public is not as well acquainted with insurance as those in the business often believe," Mr. Davey declared. "The insuring public needs education, and the agent must be the teacher." To do the job properly, the agent must be well informed, something that can be brought about through programs such as the disability insurance training course.

Blasting direct-mail insurance selling, Mr. Davey labeled this as nothing but "buying a pig in a poke." He said it hurts agents, the business, the public and the insurance department. Personal contact, he avowed, is the only way to bring true service to the public.

Mr. Davey emphasized his reference was to attempts to sell by mail, not to direct mail as a pre-approach for the agent. The latter he identified as a useful adjunct in personal selling as long as it avoids borderline statements. He termed letters used in the life insurance business as a good example of sound pre-approach direct-mail work. "For the most part, that business is using the kind of direct mail that is an asset."

The commissioner also lashed out at federal regulation. "There are not enough abuses in the A&S field for the federal government to get excited," he

declared. "At least in Indiana, we do not need the federal government to tell us what to do. It is impossible to have national laws that fit local situations. What abuses there are in the A&S field can be cleaned up by the industry, itself—and I have every confidence it will do so."

Mr. Davey also said he considers the department examination for an A&S agent's license "too easy." He added it will be made more difficult as soon as the department has had time to give the matter adequate study.

LIAMA Appoints Hobbs to Consulting Staff

Kenneth L. Hobbs, former assistant secretary and agency secretary of Capitol Life of Denver, has been appointed consultant in the company relations division of LIAMA, bringing the consultation staff to 15 men.



Kenneth L. Hobbs

Mr. Hobbs, with Capitol Life since 1938 except for four years of air force service, began in the statistical department and later worked in other departments. He also sold life insurance on a part time basis. He was named agency secretary in 1952 and later was given the added duties of assistant secretary.

Life Office Management Assn. is distributing its 1955 printed proceedings, consisting of papers and reports presented at the annual conferences.

Joyce, Skilton Raised by Conn. General; 24 Others Appointed

Connecticut General Life has appointed Aubrey L. Joyce vice-president and controller and George W. Skilton vice-president.

Also appointed were:

Miss Martin E. Doyle, assistant actuary in the actuarial department; William N. Berson, Alfred L. Knaub and Nelson C. Krum, assistant superintendents of agencies;

Herbert C. Brinckerhoff Jr., assistant secretary of the controller's department, Frederick A. Calderwood Jr., associate controller, Malcolm F. Hood, director of planning, and Anthony V. Lebesky, assistant controller;

William W. Keffer, secretary of the group department, Frank J. Bush, assistant actuary of the department, William F. Brownlee, Donald A. Carpenter and Martin D. Wood, assistant secretaries;

Douglas B. Hunter, secretary of the group pension department, F. Russell Schneider, actuary of the department, and Shepherd M. Holcombe, assistant actuary;

Robert P. Jones, assistant secretary of the group sales department;

Alfred S. Moses Jr., assistant counsel of the legal department;

Dr. Lyon H. Earle Jr., assistant medical director, and Dr. Gerald V. Levreault, assistant medical director, medicine and hygiene;

Henry Dawes, director of personnel; Charles A. Ormsby, secretary of the reinsurance department;

William K. Paynter, director of advertising and public relations;

James H. Torrey, secretary of the securities department.

assets in excess of \$1.4 million. Southwest American was founded in 1952 and Guaranty National in 1954. The new firm will take the name of Southwest American. Lee G. Wiley, president of Guaranty National, will become president of the merged companies, and Rush F. Evans, president of Southwest American, will be chairman.

Greater Chicago IASA Holds Spring Meeting

Wilbert E. Scheer, personnel director of Blue Cross-Blue Shield, was the luncheon speaker at the day-long meeting of the Greater Chicago chapter of Insurance Accounting & Statistical Assn.

Morning sessions included a discussion of office work simplification programs by Wallace M. Carrithers of A. B. Dick Co., and a panel presentation of practical applications of the IBM typewriter-card punch.

Life and A&S and fire and casualty seminars on problems and procedures were conducted concurrently in the afternoon. Topics considered included A&S premium and billing accounting, life commission accounting on punch cards, current challenges in the A&S field, whole life reserves, premium financing in states not permitting installment payments, handling of small claim or bulk reserves, account reconciliation on IBM equipment and work measurement as applied to filing.

American Mutual Names Roberts GA at Mason City

American Mutual Life has appointed Hugh O. Roberts general agent for the Mason City, (Ia.), territory. Mr. Roberts entered insurance in 1949 at Des Moines. He is a past president and vice-president of Des Moines Life Underwriters Assn.

Cincinnati Agency Expands

The Continental Assurance agency started a year ago at Cincinnati under Carl R. Schlotman has expanded its office space 60% to accommodate new personnel and equipment required to serve the growing business. It is the first full lines Continental organization started from scratch to pay for in excess of \$2 million of ordinary business in a year or less. The agency was presented an award for leading Continental's group production in Ohio, placing third in the midwest and among the top eight agencies of the year nationally. Raymond F. Lepper is vice-president in charge of group operations.

R. H. Channel has been elected president of Bankers Underwriters Life of Dallas, succeeding Minar Grizzard.

Favors Quick Elimination of Unsuccessful Agents

Hollis L. Manly Jr., director of training for Amicable Life, told San Antonio Life Managers Club that he believes the early elimination of the man not destined for success in selling insurance leaves the deposed man with a friendly feeling toward the industry, little if any feeling of having failed, and gives the public a better impression. Mr. Manly suggested that a certain minimum production be required during the first three months for the new man. Mr. Manly said that it costs money to keep failures under supervision and that they may weaken the morale of the agency. He said that the elimination of men on the three months' production basis has, according to studies, eliminated 70% of the failures. Although not sure of the three months' trial system as a standard, Mr. Manly said it saves money for the company and saves face for the recruit.

Mr. Manly expressed the view that in three months the agency manager can ascertain the nature of the problems of the newly recruited salesman and decide his potentialities. He said that under the present training plans, ignorance is no longer an excuse for failure of the new man nor is it an excuse for the manager.

2 Texas Insurers Vote Merger

The boards of Guaranty National Life and Southwest American Life have voted to merge the two companies. The proposal will be submitted to stockholders at special meetings April 3.

Approximately \$1.5 million in cash and securities will change hands as a result of the merger. The combined insurer will have more than \$12 million of insurance in force, and net

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Bankers Life of Iowa Names Superintendents, 4 Agency Managers

Bankers Life of Iowa has appointed two sales superintendents and four



W. F. Spotz



R. L. Reed

agency managers. Named sales superintendents were Ralph R. Reed, formerly El Paso manager, and William S. Spotz, formerly Chicago manager. The new managers are John H. Goodwin, at San Diego; Robert G. Keck, Chicago; Elvin N. Forrest Jr., El Paso, and Noel B. Clark at the newly re-established Peoria agency.

Mr. Reed joined the company in 1952 and has been manager at El Paso since early 1955.

Mr. Spotz joined the company in 1951 as agency supervisor at Pitts-



R. G. Keck



J. H. Goodwin

burgh. He was appointed field supervisor in 1953 and later named Chicago manager.

Mr. Goodwin has been a lecturer of life insurance at San Diego State college since 1947 but will resign from teaching in June. He began in insurance in 1923 and has had considerable production and managerial experience. A CLU, Mr. Goodwin is a past president of the San Diego Life Underwriters Assn., CLU chapter, and General



N. B. Clark



E. N. Forrest Jr.

Agents & Managers Assn. He currently is president of the Estate Planners Council of Southern California.

Mr. Keck, formerly supervisor of the Chicago Spotz agency, joined Bankers Life in 1951.

Mr. Forrest joined Bankers Life after eight years with Lincoln National Life.

Mr. Clark started in insurance in 1933 at the home office of Kansas City Life. Between 1936 and 1946 he was in other sales work. He joined Equitable Society in 1946 in Illinois, serving for 10 years as agent and field assistant to the Peoria and Bloomington district managers until joining Bankers Life.

Figures from Life Companies' Year-End Statements Shown

	Total Assets	Increase in Assets	Surplus to Policy holders	New Bus. 1955	Ins. in Force Dec. 31, 1955	Increase in Force	Prem. Income 1955	Benefits Paid 1955	Total Disburs. 1955
Alliance Nationale	21,417,859	1,873,286	6,503,382	25,614,289	159,359,133	19,582,617	2,831,166	1,289,204	2,403,725
Atlantic Coast Life	6,059,043	448,506	308,832	30,867,746	54,194,746	-2,637,675	2,624,857	769,045	2,147,534
Century Life	11,974,703	1,327,048	1,330,520	14,648,599	70,653,873	7,451,370	2,488,840	543,414	1,562,850
Columbian Mutual	7,299,039	977,890	646,604	18,704,435	78,828,476	7,383,808	4,148,144	1,025,130	3,337,576
Consolidated General Life	949,673	-11,959	546,572	37,007,727	40,169,702	4,140,569	1,809,665	329,026	1,189,075
Continental Life, Canada	32,870,430	2,394,896	2,512,341	16,488,736	148,021,502	7,197,327	3,758,882	1,588,425	2,870,446
Cosmopolitan Life	7,712,287	935,336	2,517,174	24,933,013	66,486,410	6,873,344	1,856,432	342,906	1,141,982
Country Life	118,394,477	13,346,207	11,824,037	81,856,162	679,032,945	48,593,337	15,376,502	4,685,333	7,856,859
Farm Family Life, N.Y.	1,227,537	507,169	662,891	19,713,219	35,541,120	18,212,668	887,593	49,000	402,812
Federal Security, Utah	1,977,953	653,821	620,125	5,065,736	24,875,901	2,460,597	977,656	121,629	482,270
Government Employees Life	4,058,961	1,312,350	1,028,329	12,199,338	64,864,574	13,695,550	1,566,542	253,361	485,305
Great Southern Life	168,932,128	11,407,740	17,011,206	112,423,876	785,265,495	70,255,611	17,944,219	8,496,419	15,035,497
Home Security Life	2,061,900	231,419	278,028	1,489,350	16,100,169	8,950	441,605	80,580	301,308
Idaho Mutual Benefit Assn.	1,969,233	206,279	1,886,558	15,918,000	123,758,825	3,526,125	1,429,448	740,651	1,337,676
LaSaugarde Life	34,599,957	2,898,564	898,895	22,158,047	175,907,884	10,464,441	4,564,179	1,674,964	746,491
Life of Alberta	1,613,746	225,188	237,159	3,338,086	19,962,081	1,721,348	401,545	64,974	465,114
Maryland Life	8,331,132	205,939	1,016,261	1,365,300	21,808,221	406,849	468,977	388,615	589,662
Mutual Life, New York	2,475,481,919	72,353,676	214,001,414	569,446,894	5,359,423,255	317,755,829	162,709,522	148,676,818	218,459,136
Old American Life	3,212,362	480,888	455,232	4,791,780	22,924,789	2,272,843	957,145	291,326	662,527
Peoples Life, D.C.	102,055,854	8,745,331	7,407,630	100,213,167	546,145,757	30,344,949	18,144,824	5,366,155	12,970,845
Puritan Life	3,892,664	323,849	507,837	8,408,684	28,540,572	3,298,768	493,990	253,608	652,357
Rio Grande National Life	13,055,151	1,395,972	687,306	54,853,576	145,946,326	24,291,522	5,999,414	1,651,482	7,026,373
Rural Security Life	1,990,580	503,434	374,071	6,303,721	36,061,271	3,847,217	703,836	108,411	267,041
Service Life	4,450,142	1,239,186	1,519,948	37,156,392	67,030,518	7,969,886	2,983,012	476,752	2,226,659
South Coast Life	10,338,008	5,977,609	1,593,223	16,281,001	79,008,709	50,062,294	1,830,104	306,769	1,225,935
State Mutual, Ga.	4,515,635	513,010	496,484	11,106,959	29,769,000	1,644,000	1,112,589	431,742	927,958
Union Labor Life	25,092,651	3,676,812	5,397,367	33,187,790	771,347,440	83,416,271	26,676,099	23,283,568	26,075,357
Victory Mutual Life	5,396,450	418,555	420,898	5,906,517	32,342,917	1,956,332	985,256	331,946	841,023
Czechoslovak Society	13,531,338	600,401	1,860,390	2,936,858	41,411,256	1,614,612	1,240,323	841,429	1,120,963
Neighbors of Woodcraft	15,171,813	1,473,932	2,038,671	1,240,959	31,521,444	187,179	1,187,034	903,023	1,372,086

New business figures exclude revivals and increases except as follows: \$1,749,052; \$114,200.

HERE WE GO AGAIN . . .

We have just finished our greatest year.

Now here we go into 1956, with our Field force at its all-time peak in both number and ability, and naturally we expect this year to be better than last.

Hope yours is too.



THE
NATIONAL LIFE
AND ACCIDENT
INSURANCE COMPANY
HOME OFFICE - NASHVILLE, TENNESSEE

Life Investments Earn 3.51% in 1955; Gain Offset by Tax Boost

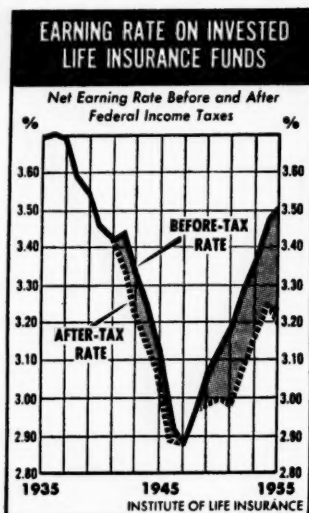
The earning rate on invested life insurance funds in the U.S., after all expenses but before federal income taxes, rose for the eighth consecutive year in 1955, reaching 3.51%, up .05%, Institute of Life Insurance reports.

The current rate is still short, however, of the level of the 1920s when the average was 5.07% and the high point was 5.2% in 1923. Even in the 1930s, with a long-sustained decline in interest rates underway, the average rate was 4.1%.

The improvement since 1947, when the low of 2.88% was reached and when the after-tax rate was practically the same as that before taxes, is less than these figures would indicate because the effective earning rate is the net rate after federal income taxes, the institute pointed out. These taxes have increased in recent years. The incurred income taxes on 1955 business, based on the newly passed tax bill, are estimated at \$248 million, up \$74 million. The after-tax earning rate for 1955 works out to 3.2%, down .04%. Investment earnings of life companies in 1955 were estimated at \$3 billion. They were equivalent to about one-fourth of total premiums.

The earning rate increases since 1947 have been largely the result of the material shifts in distribution of investments, the institute commented. There has been some improvement in earning rates in various portfolios, but the greater part of the improvement has come from placement of larger sums in investments which return better interest.

Since 1947, the securities of business



and industry held by life companies increased from 31.2% of total assets to 43.2%, while mortgage financing has risen from 16.8% of total assets to 32.6%. At the same time, life company holdings of U.S. government securities dropped from 38.7% of total assets to 9.5%.

Travelers Cites Linder

Maurice Linder, general agent of Travelers in New York City, has been cited as the company's leading personal producer in the past year. He will be honored at an agents' meeting April 9-13 at Phoenix.

Mr. Linder, who has sold \$50 million during his career, is one of two agents in the country who have qualified for Million Dollar Round Table 26 years in succession, the greatest number of times anyone has achieved that distinction.

Companies Liberalize Aviation Underwriting in Western Hemisphere

Nearly all life companies surveyed by Institute of Life Insurance now accept western hemisphere scheduled airline passengers at standard rates, most of them without any restrictions but a few with some limit on amount of insurance or amount of anticipated flying.

Ten years ago, 36% of the companies accepted such applicants at standard rates without restriction, 27% accepted them standard with some limitations, 8% charged an extra premium, 23% gave individual consideration, and 6% either declined the applicants or excluded air coverage. In 1935, none accepted such risks at standard rates without restriction, and only 2% with some limitation, while 21% declined or excluded the air risk.

Even more rapid liberalizations have been shown for passengers on flights outside the western hemisphere, with 90% of the companies accepting them at standard, 82% without restriction, and none declining or excluding the air risk. In 1935, no companies accepted such applicants at standard rates without restriction, only 1% accepted them standard, with some limitations, and 28% declined or excluded the air risk.

Passengers on non-scheduled airlines now are accepted at standard rates by 86% of the companies, with only 1% of the companies excluding the air risk. In 1935, only 1% of the companies surveyed wrote such applicants at standard rates and 28% declined or excluded the air risk.

Pilots and crew members of U.S. scheduled airlines on western hemisphere flights are being accepted at standard rates by 86% of the companies surveyed, 56% without restrictions and 30% with some limits on amount of insurance. Surveys made as late as 1948 showed no companies writing crew members on this basis. Twelve percent of the companies now charge pilots and crewmen an extra premium, most commonly \$2.50 per \$1,000, while in 1935 the most frequent extra pre-

mium was \$25 per \$1,000. Only 1% of the companies now decline or exclude the air risk for crew applicants, compared to 40% in 1935.

Eighty percent of the companies now write pilots and crewmen of U.S. scheduled airline flights outside the western hemisphere at standard rates and only 1% exclude the air risk. In 1935, none wrote them standard and 46% declined them outright or excluded the air risk.

Two percent of the companies now write non-scheduled pilots and crewmen at standard rates and 2% exclude the air risk. In 1935, none wrote them standard and 40% declined or excluded the air risk.

N. Y. Life Names Porter Inspector at Cleveland

New York Life has appointed Fred C. Porter Jr. inspector of agencies at Cleveland. He also will be adviser to Verne S. Stanford, field vice-president of the east central division.

Mr. Porter, with the company since 1924, has been manager at Cleveland, Flint, Dayton and Fort Wayne.

LUTC Enrollment Drive

Six hundred course committee chairman of Life Underwriter Training Council will stage a special campaign to pave the way for the 1956-57 10th anniversary class. For a 13-week period, qualified men may reserve a place in fall classes by completing a brief preliminary application and making a partial deposit of the tuition fee.

Campaign plans will be made at 16 regional planning panels during the 13 weeks. Each chairman will attend a conference, then spearhead a local enrollment drive. LUTC will contact general agents and managers and company agency officers directly, asking them to urge early enrollment.

Great-West Names Clair

Great-West Life has appointed P. Clair Finn manager of the Victoria branch at Montreal. Mr. Finn joined the company in 1947 at London, Ontario. He was appointed supervisor at London in 1953 and the next year was transferred to Toronto as manager of the King branch. He is a CLU.

WE'RE LOOKING FOR A MAN...

Are you interested in a 40-hour—5-day week, and being at home every night?

THEN DON'T ANSWER THIS AD BUT ... IF YOU ...

1. Are interested in helping to build an organization
2. Have a good record as a Personal Producer in Life Insurance Sales
3. Have a good knowledge of what it takes to supervise men
4. Know how to recruit Personal Producing Agents and get them indoctrinated onto the road to success
5. Would like to travel in IOWA or MINNESOTA or any of the North Central States
6. Have a burning zeal to make a record for yourself
7. Would like to associate with a progressive growth company that has approximately doubled its insurance in force and its assets in the last 7½ years.

THEN write to

L. J. Larson, Executive Vice President,

National Guardian Life Insurance Company,

giving your qualifications and salary desired.



Republic National Life has erected a colorful cartoon display in its home office lobby at Dallas to keep agents and home office associates informed of the company's progress toward its goal of "A Billion or More by June or Before." The display is entitled "You're Supposed to Keep Your Eye on the Ball," and the ball in this picture indicates that the company has \$945 million life insurance in force. Home office girls surrounding the display are, left to right, Sally Armitage, Billie Horn, Pearl Pryor, Vickie Foster and Jean Jackson.

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Goes to Court over Texas Law on Judging Fitness of Insurer Management

AUSTIN—Constitutionality of the new Texas law authorizing the board of insurance commissioners to consider fitness of company management in licensing insurers was attacked in a suit filed here by John L. Hammond Life of Dallas, whose permit to do business had just been revoked.

The company's petition included the following declarations: That the law makes no provision for the company "to be heard prior to the time the board has made up its mind;" that it was not afforded "an opportunity to cross-examine those persons furnishing the information to the board upon which the purported intention to revoke were based," and that the law "does not lay down any rule or standard by which competence, fitness and reputation are to be determined, but leaves it to the unbridled discretion of the board to determine that the officers and directors of an insurance carrier are not worthy of public confidence."

The board's revocation order, which the suit holds in abeyance, followed an all-day hearing on a "show-cause" citation. The board's charges were leveled principally at Carl B. Jordan, president, and John B. Rich, secretary, on the basis of their alleged connections with other insurance and investment companies, several of which failed. The only objection to Mr. and Mrs. John L. Hammond and to Jack L. Cameron, vice-president, was that they lacked sufficient experience.

Atlanta Agency Wins Home Life Citation

The Atlanta agency of Home Life of New York has won the agency-building award for 1955 for the best record of progress over the preceding year.

John H. Evans, vice-president-sales, presented the award to Manager James S. Dudley Jr., who accepted for the agency, at the qualified field underwriters conference held for three days in Hollywood, Fla. The agency's ordinary production was up 80%, group volume was high and widely shared, field compensation was up 10% in most instances, the agency ranked fifth in total business, four members were among the company's leading agents and the agency made progress in practically every area considered.

Mr. Dudley joined Home Life in 1937 at Huntington, W. Va., was named manager at Richmond in 1949 and at Atlanta in 1953. He is a CLU.

Federal Life, Ill., Passes Quarter Billion Mark

Federal Life of Illinois passed the \$2.5 billion mark during February when approximately \$3 million in new business was paid for, boosting the company's total ordinary in force to \$251,536,278. Life business paid for during the first two months of 1956 was \$6,724,427 a 19% increase over the same period last year.

Federal Life also showed an increase in its A&S business for the first two months of 1956 with premium income, excluding group, up 14% over the same period last year.

Northwestern Mutual Sales Up 27%

Northwestern Mutual Life sales are running 27% ahead of last year, with January and February sales totaling \$113,435,000. Leading the company for the fourth straight month is the Eckert agency of Detroit with sales of more than \$2,250,000. In second place is the Jamison & Phelps agency of Chicago with sales of nearly \$2 million.

Ill. Disapproves Free Insurance With Auto, Tentative OK in Ind.

The Illinois department has ruled illegal the insurance offers of American Motors and Studebaker-Packard under which automobile purchasers are given accidental death policies. In Indiana, however, a department representative said the coverage violates no section of the insurance code. Approval of the plan also has been given in Michigan.

The Illinois department decision followed agitation against the coverage on the part of Illinois Assn. of Insurance Agents. Director McCarthy has written the insurers of the two auto manufacturers, National Casualty (Studebaker-Packard) and American Casualty (American Motors), saying the group life and group A&H definitions in Illinois do not provide for the purchasers of a product to be classed as a group, and that the tie-in sale of merchandise and issuance of insurance is contrary to the policy department, and that "serious question of rebating was presented inasmuch as the assured did not pay the premium and it was paid by the automobile company." The companies are asked to desist from advertising the plan in Illinois publications and to cease issuing such business 10 days from March 23.

Samuel Kauffman, administrative assistant in the Indiana department, replying to an inquiry from an Indiana legislator, said that giving away of insurance by a company or agent would be illegal, but "in the course of Studebaker's action no insurance company or insurance agent gives away anything; Studebaker pays the full premium, as we understand the facts. Therefore, free insurance is not involved since the insurance company is not giving free insurance... The automobile is not sold or given as an inducement to insurance; on the contrary, the paid up insurance is used as an inducement to the purchase of a car. The insurance company gives no inducement away for the purchase of insurance."

216 N.Y. Life Agents Sell \$1 Million in '55

Two hundred sixteen New York Life agents sold more than \$1 million of life insurance in 1955, when individual sales hit a record \$1,801,000,000, exclusive of group.

Ben Feldman, East Liverpool, O., set a production record of \$8,045,300, representing 158 lives on ordinary plans. None was group or pension trust.

Harry A. McColl, Colorado Springs, sold more than \$4 million. Howard J. Richard, Boston; Edward J. Mintz, San Jose; Edwin T. Golden, San Francisco; Rudolf L. Leitman, Detroit; and Hubert N. Hoffman, Arlington, Va., sold more than \$3 million. Thirteen agents sold between \$2 million and \$3 million, while the remaining 196 produced between \$1 million and \$2 million.

Vezina Wins Sun Life Trophy

The western Canada group office of Sun Life of Canada, managed by A. Vezina, won the president's group trophy for its 1955 accomplishments. Runners up were Montreal, under the direction of L. F. Holland, now retired, and his successor, J. W. Moreland; and Detroit, under the joint leadership of H. N. Phillips and F. K. Ziegel.

National Bankers Elect Hall

Lester F. Hall has been elected president of National Bankers Life, succeeding L. H. Graves Jr. Mr. Hall also is president of Presidential Life of Dallas. National Bankers has been licensed in three more states—Oregon, West Virginia and Michigan.

On the dais at the General Agents & Managers Conference luncheon at the NALU mid-year at Hartford: Charles E. Cleeton, Occidental of California, Los Angeles, past president of NALU and now chairman of the building committee; Stanley C. Collins, president of NALU, Metropolitan life agent at Buffalo; and L. Mortimer Buckley, New England Life, Dallas, vice-chairman of GAMC.



TOP QUALITY AT LOW COST

New Guaranteed Cost Policies
Especially Designed for Women

Guaranteed Cost:

TWENTY PAYMENT LIFE

Standard only • Ages 10-55 • Minimum amount, \$3,000
Annual premium at age 35 for \$1,000, \$31.15

LIFE PAID UP AT AGE 65

Standard only • Ages 10-50 • Minimum amount, \$3,000
Annual premium at age 35 for \$1,000, \$23.96

And Best of All . . . Another easy-to-use, attractive illustration folder complete with rates, cash values and GUARANTEED COST SAVINGS PLAN presentation for women. Everything needed for the interview.

INTERESTED? See for yourself! Complete the coupon.

Providing sound coverage at reasonable cost
through competent representatives. Bankers National's
consistent aim since its founding.



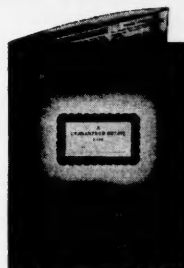
GENERAL AGENCY INQUIRIES INVITED

Please send me your special women's
savings presentation.

Name.....

Address.....

City..... State.....



EDITORIAL COMMENT

Phone Numbers Belong There, Too

Recently we ran an editorial endorsing and promoting a suggestion made by Vice-President Louis H. Martin of the National Underwriter Co. that life company home office letterheads should show the street address.

We have received a number of letters heartily commending this suggestion and nearly all of them added that the telephone number should be on the letterhead, too. John Lobingier Jr., public relations director of Life Insurance Agency Management Assn., made the argument for telephone numbers even stronger by pointing out that it is increasingly important to have telephone numbers on letterheads as long-distance dialing comes into the picture.

Even without long-distance direct dialing, telephone numbers are handy to anyone making a long-distance call because when you have the telephone number of the person you are trying to reach the call goes through much faster. Because of improved equipment now in use among telephone companies, the connection is made about as fast for a long-distance call as for a local call if you have the telephone number and do not have to wait while the long distance operator calls "information" in the distant city.

Another articulate advocate of telephone numbers on letterheads is Russell Edgett, secretary of Insurance Federation of New York.

"What in the world is the theory in back of leaving off such information?" he asks. "I wonder if some of the people who leave it off ever tried to get a long-distance call through to another whose letterhead lacks such pertinent data. The long-distance operator, after fussing around with an information operator in the city or town requested, frequently informs you that, 'We have several listings for the "Whoozis Company" in St. Pittsford—do you have a street address?' So then you apologetically tell her the only additional information you have is 1826 Weeping Willow Savings, Title Guaranty & Chowder Club building, after which she asks, very sweetly, 'and what is the street address?' Need I say more?"

"Yours for bigger and bolder addresses (not to mention telephone numbers)."

Not directly on the subject of telephone numbers on letterheads, but as another sequel to the editorial on street addresses, we're glad to relay the information that, as a result of the

editorial, Confederation Life of Canada plans to reverse a practice of long standing and show the street address of the head office on all letterheads used by executives.

Wishing us success in our campaign, P. I. Murray, manager of public relations of Confederation Life writes: "We feel that, thanks to your good-natured prodding, we have taken another step along the road of progress."

President Chester O. Sullivan of Midland Mutual Life, however, brings up a point which had not occurred to us, nor to Mr. Martin, and which may be a consideration for some companies. This is the fact that the street address of the home office may not be the place where the company customarily gets its mail. For example, the home office of Midland Mutual is at 250 East Broad street, Columbus 15, O. This address, as Mr. Sullivan points out, is important to the people who visit the home office and to the boys who deliver registered and special delivery mail, parcel post packages and express. However, the address for all regular mail is P.O. Box 1938, Columbus 16.

"Although I have not checked this with the Post Office department, it would be my opinion that the clerks who sort the mail would prefer to have our mail addressed to Columbus, O.," Mr. Sullivan writes. "I have noted that the Columbus department stores have in recent years eliminated the street address from their statements, which suggests that the use of a street address may not be helpful to the post office. This may or may not have any bearing on the fact that street addresses do not customarily appear on life insurance letterheads."

Offhand, we don't know how widely the situation described by Mr. Sullivan would apply. Where it does, a possible solution might be to give the home office street address in the main part of the letterhead and over to one side show the post office box number with an indication that mail should be addressed there.

PERSONALS

J. E. Harrell, a director of Massachusetts Mutual Life, has been named chairman of New England Telephone & Telegraph Co.

Lon Hocker, president, Life of Missouri has formally entered the race for the Republican nomination for

governor of Missouri, to be decided in a primary election Aug. 7. Mr. Hocker, a 46 year old lawyer and former president of the St. Louis Bar Assn., is making his first bid for election to public office. He stated that he has received "overwhelming and unsolicited" offers of support from Republicans throughout Missouri in recent weeks. Mr. Hocker will take a leave of absence from Life of Missouri for the campaign.



N. A. Leonard

Seattle Life Managers Assn.

M. R. Dodson, president of Ohio National Life, has been appointed a director of the University of Cincinnati for a 9-year term by Mayor Taft of that city.

Dr. Charles Barrett, medical director of Western & Southern Life, has been appointed professor of radiology at the University of Cincinnati college of medicine. Dr. Barrett, who also is an assistant professor of surgery at the college, joined both the college and Western & Southern in 1942.

Ralph R. Lounsbury, president of Bankers National Life, has been invited by Gov. Meyner of New Jersey to serve on the governor's host committee for the national conference of state governors June 24-27 in Atlantic City.

Vincent B. Coffin, senior vice-president of Connecticut Mutual Life, has been elected to a 2-year term as president of National Travelers Aid Assn.

William S. Liming, supervisor of group sales promotion and publicity of Metropolitan Life, has been elected president of American Assn. of Industrial Editors.

E. J. Faulkner, president of Woodmen Accident & Life was named a director of the Lincoln (Neb.) Telephone & Telegraph Co.

T. H. Spindle, Amicable Life manager at San Antonio, is new president of San Antonio Insurance Club.

The 1956 heart fund campaign in Minnesota, sponsored by Minnesota Life Underwriters Assn., has exceeded its quota of \$380,000 by more than \$8,000 with more than 100 communities yet to report. The campaign leader is **E. B. Eliason Jr.**, general agent at Minneapolis for Crown Life.

Hugh McKenna, assistant to the executive vice-president of Mutual Benefit H.A., has been elected a director-at-large of the U. S. Chamber of Commerce.

DEATHS

T. LOEHL O'BRIEN, 43, Massachusetts Mutual Life, Washington, D.C., died in a Washington hospital after an operation. With the company since 1933, he was past president of D.C. Assn. of Life Underwriters, D.C. CLU chapter, D.C. Life Insurance Trust Council and was dean of the D.C. Life Insurance Institute from 1944 to 1953. He was a lawyer.

ALVA H. AVERILL, 88, president of Pacific States Fire of Portland from 1925 to 1928 and Oregon insurance commissioner from 1931 to 1935, died at his home in Portland of a heart attack.

JULIUS RUBNER, 57, manager of Metropolitan Life's North Side collection office at Chicago, died. He started with the company 33 years ago at Alton, Ill., going to Chicago about a year later.

NED BOMERS, 71, former general agent at Grand Rapids for Provident Mutual Life and a past president of Grand Rapids Life Underwriters Assn., died after an illness of more than a year.

MRS. LOREE C. ANDERSON, 51, Woodstock, Ill., wife of T. Loyal Anderson, vice-president of Federal Life of Chicago, died in the office of a Lake Forest (Ill.) doctor where she had gone for treatment.

WILLIAM TARAS, 67, with Prudential for 35 years, died at his home in Chicago. Mr. Taras was an agent at the suburban Evanston district until his retirement in 1954.

EDGAR H. JONES, 42, unit manager for Equitable Society at Detroit, died unexpectedly of a heart attack while exercising his dog near his home. Mr. Jones started with Equitable at Lansing and transferred to Detroit in 1947.

JOHN J. HUGHES SR., 70, retired assistant director of agents for Northwestern Mutual Life, died at his Milwaukee home after a brief illness. He had retired in 1953 after more than 50 years with the company. Mr. Hughes joined Northwestern as an office boy and in 1918 was named assistant director of agents.

H. J. SHAW, 58, district manager of Home Security Life at Durham, N.C., for 20 years, died at his home after an illness of several months. Mr. Shaw had been with the company for 24 years and was past president of Durham Assn. of Life Underwriters.

Promote Farber at S.F.

Samuel Farber has been appointed assistant general agent of the Keller agency of Lincoln National Life at San Francisco. He has been with the agency for the past year and in insurance for 10 years.

THE NATIONAL UNDERWRITER

—Life Insurance Edition
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BOSTON 11, MASS.—207 Essex St., Rm. 421. Tel. Liberty 2-1402. Roy H. Lang, New England Manager.

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DALLAS 1, TEXAS—708 Employers Insurance Bldg., Tel. Prospect 1127. Alfred E. Cadis, Southwestern Manager.

DETROIT 26, MICH.—502 Lafayette Bldg., Tel. Woodward 1-2344. A. J. Edwards, Manager for Indiana and Michigan.

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 Telephone Wabash 2-2704.
 Advertising Manager: Raymond J. O'Brien.
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 Telephone Parkway 1-2140.

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NEW YORK 38, N. Y.—99 John Street, Room 1103. Tel. Beekman 3-3953. J. T. Curtin and Clarence W. Hammel, New York Managers.
NEWARK 2, N. J.—10 Commerce Ct., Tel. Mitchell 2-1306. John F. McCormick, Resident Manager.

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Riley Ad-S

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Riley Comments on Ad-Sales Editorial

Walter H. Riley of American Surety comments that the editorial, "Rate Advertising to 'Sales'," in a recent issue raises several questions. He writes:

For instance, how can one compare advertising for a product purchased daily, such as cigarettes, toothpaste, etc., with something bought annually, or less often, such as insurance? From this angle insurance may now be advertising more than many so-called "heavy" advertisers.

As advertising is considered an acquisition cost in our business, is it not relevant to determine whether some companies that do no advertising may be utilizing their acquisition cost for other expenditures, such as commissions, brokerage, traveling expenses, direct mail material, etc.?

In fixing a selling price a manufacturer normally allows for marketing expense, which includes advertising. He may allot a definite account for the latter. How do such figures compare with the amount available to insurance companies under the percentage provided for acquisition cost in the rate?

Admitting that insurance companies have never been particularly successful in establishing "brand names," would it not be better to compare their advertising with that of products which are sold without brand name advertising? For instance, if you went out to buy glycerine would you ask for any particular brand?

Perhaps the best proof that insurance companies as a group are not doing enough advertising is the fact that they have thus far failed to get their message across to the public to a satisfactory degree. But here we run into a public relations angle.

And as a last argument, can you imagine the insurance department of any state permitting an insurance company to spend as much on advertising per dollar of sales as a cosmetic manufacturer?

The advertising experts seem to know only one thing about the insurance business, and that is that the insurance companies do not spend enough for advertising. Incidentally, why doesn't somebody tell those experts that they and their companies do not spend enough on insurance?

Massachusetts Mutual Life has awarded \$40 to Miss Ellen T. McCarthy of the policy department for suggesting a time and money-saving innovation for letter dictations.

STOCKS

By H. W. Cornelius Bacon, Whipple & Co.
135 S. LaSalle St., Chicago, Mar. 27, 1956

	Previous	Current	Week's Bid	Asked
Aetna Life	207	210	214	
Beneficial Standard	32 1/4	32 1/4	32 3/4	
Cal.-Western States	111	110	113	
Colonial Life	136	130	135	
Columbian National	100 1/2	99	101	
Commonwealth Life	25	24 3/4	25 1/2	
Connecticut General	252	262	266	
Continental Assurance	181	184	187	
Franklin Life	92 3/4	91 1/2	92 1/2	
Great Southern Life	96	96	99	
Gulf Life	35 5/8	34 3/8	34 3/4	
Jefferson Standard	135	135	138	
Kansas City Life	1425	1400	1450	
Life & Casualty	38 3/4	39	39 1/2	
Life Ins. Investors	15 5/8	15 1/2	16	
Lincoln National	233	231	235	
Missouri	24	26 1/4	27	
National L.&A.	94	93 1/2	95 1/2	
North American, Ill.	23 3/4	24	25	
Northwestern National	92	92	95	
Ohio State Life	220	225	230	
Old Line Life	53	56		
Southland Life	137	130	138	
Southwestern Life	117	115	121	
Travelers	83 3/4	83 1/2	84 1/4	
United, Ill.	26 7/8	28 3/8	28 3/4	
U.S. Life	156	155	160	
West Coast Life	57	58	59 1/2	
Wisconsin National	54	58	62	

Acacia Names O'Neill to Agency Position

Acacia Mutual Life has appointed Patrick J. O'Neill assistant superintendent of agencies, in accordance with plans to increase the supervisory staff.

Mr. O'Neill was in the home office of Mutual Benefit Life for the past three years and was assistant to the training director when he left to join Acacia.

Fete Smyth for 20 Years as GA of National of Vt. in Hartford

Associates of Harold Smyth honored him at a dinner on his 20th anniversary as general agent of National Life of Vermont at Hartford.

President Deane C. Davis and Clyde R. Welman, agency vice-president, praised Mr. Smyth's record. William H. Connelly, agency supervisor, presented Mr. Smyth a report of \$2.3 million sold in his honor in 11 weeks by 14 agents. Salvatore F. Calio presented a scroll signed by all agency members. Albert C. Petersen, veteran agent, told of Mr. Smyth's first days in Hartford. Francis T. Fenn Jr., associate general agent, was toastmaster.

Kelly to Address LOMA Graduates

Eugene C. Kelly, assistant vice-president of Home Life of New York, will address Society of LOMA Graduates on "Popularizing Expense Management" April 4 in the home office of Home Life.



Meyer Orenstein, section head in ordinary loans at Metropolitan Life, shows President Frederic W. Ecker a picture of the home office in 1906. Mr. Orenstein and six others who started with Metropolitan in that year, and thus are marking their 50-year company anniversaries in 1956, were congratulated by Mr. Ecker. The others, left to right with Mr. Orenstein, are Edward J. Gilliard, interviewer in the inquiry and information bureau; James Stewart, section head in ordinary renewals; Rudolph J. Steiner, manager of the supply division; David Powers, elevator starter; Edmund F. Ryan, dividend reviewer in the actuarial division; Samuel Milligan, senior vice-president and board member. In 1906, Metropolitan was a stock company with \$1.6 billion of life insurance in force. Today it is a mutual company with \$66.1 billion in force.

the 1956 BIENNIAL CONVENTION

KEYED FOR
CAREER LIFE
UNDERWRITERS



to be held at the Edgewater Beach Hotel during April promises to be another outstanding reunion of qualified field associates from all parts of the country. A time of planning, instruction and review, it will be in keeping with Equitable Life of Iowa traditions wherein friendliness and common interests will add to the pleasures and benefits of all who will be in attendance.

EQUITABLE LIFE INSURANCE COMPANY OF IOWA

FOUNDED IN 1867 IN DES MOINES



Superintendent C. Lawrence Leggett of Missouri (center), president of National Assn. of Insurance Commissioners, speaker at the March meeting of the insurance group of Chicago Union League Club, is shown with four former commissioners: From left, Spaulding Southall, Kentucky, assistant general manager of National Assn. of Independent Insurers; W. Lee Shield, Ohio, associate general counsel of American Life Convention; Newall R. Johnson, Minnesota, general manager of American Mutual Alliance, and Nellis Parkinson, Illinois, assistant to the president of United of Chicago. Picture by Guy Ferguson of Ferguson Personnel of Chicago.

Variable Annuity Gets Praising, Damning

(CONTINUED FROM PAGE 3)

at time of retirement. This arrangement would be greatly facilitated if both variable and fixed-amount plans were available from a single source, without requiring transfer of funds back and forth between companies."

Discussing the alleged danger that stock-buying to fund variable annuities might gobble up the supply of stocks, Mr. Kvernland said this fear stems from "the economics of the depression."

"Let's examine this contention a little more closely," he said. "Is it true that if, in the next 10 years, corporations continue to rely upon equity financing to the same extent as they have during the past 10 years, the supply of stocks will be inadequate? Secondly, is it reasonable to make the assumption that the pattern of corporation finance will remain unchanged?"

"Let's assume first that corporations will continue to raise the same percentage of their capital needs by floating stock as they did during the period since 1946. Figures compiled by the Department of Commerce show that during the post-war years American corporations raised 48% of their external capital by issuing bonds, 15% by borrowing from banks, 12% by mortgaging property, and 25% by selling stock. In other words, the debt-equity ratio was three to one. If we assume a continuation of the 25% rate of stock financing, it is possible to arrive at a conservative, or minimum, projection of the equity needs of American corporations during the next 10 years.

"The research department of the joint committee on the economic report, an arm of the Congress charged with analyzing economic conditions and trends, estimated that total plant and equipment expenditures, based on the assumption of an unchanging price level, will average \$50 billion during each of the next 10 years. That this is a most conservative estimate is evident from the fact that it is based upon a 2½% per annum rate of increase in industrial productivity compared to an actual productivity increase figure of 3½% since 1946.

"To support annual expenditures of \$50 billion, United States corporations will require outside capital of about \$15 billion a year. If only 25% is raised by means of equities, net new stock issues will average \$3.8 billion a year.

"Does an average of \$3.8 billion over the next 10 years represent a substantial demand for equity capital? Compared to the period 1946-55 it amounts to a doubling of demand. If we contrast this doubling with a projected increase in personal income of only 50%, it is apparent that relatively more savings must flow into equities to finance the additional factories and machines needed to raise output and living standards. This is the reason the problem facing American corporations in the future will once again be one of raising an adequate amount of equity capital.

"So far, we have assumed that the debt-equity ratio of the future will remain unchanged and that only 25% of the outside financing needs of American corporations will come from stock issues. However, when we consider only the average equity ratio of the post-war period, we must not overlook a vital trend concealed by this average. The plain fact is that the

ratio of equity financing has recently been going up.

"The SEC series on corporate securities offered for cash, a series which appears monthly, shows a very striking rise in equity financing during recent years. In 1948 stock issues represented 15.6% of all corporate securities offered; by 1952 the ratio had risen to 20.3%; and in 1955, on the basis of 11 months experience, it was up to 28.7%.

"The rise in the ratio of equity financing is the result of a number of important post-war developments. For example, those who regard past ratios of equity financing as 'normal' disregard the law of supply and demand operating in a free market. When the demand for equities rises, as it has during the past several years, higher stock prices and falling yields increase the feasibility of raising new capital by means of equities. A rising demand for stocks induces its own increases in supply. For example, during 1955 new stock issues amounted to \$2.9 billion—a climb of 43% above the 1954 figure. Bond issues, on the other hand, rose by only 5%.

"In view of such factors as this, it appears that an excess supply of investable funds is not in the offing. On the contrary, if more than 25% of corporate financial needs is to be met by stock issues, we must have a much larger supply of equity funds than we have had in the post-war period. President Keith Funston of the New York Stock Exchange put the issue squarely when he said: 'We can no longer take the chance of more than doubling corporate debt every 10 years. To do so would mean that corporate debt in 1965 would equal 79% of national income.'

"It might be added that a considerably higher ratio of equity financing is not only a desirable objective but a reasonable expectation in the light of experience during the decade of the '20s. At that time, U.S. corporations raised 38% of their capital needs by equity financing. There is no doubt that much new demand will have to be forthcoming if American corporations are to raise the funds needed for economic growth."

Mr. Kvernland pointed out that it is fallacious to assume that the rate at which pension funds and other fiduciaries have been building up their equity holdings in recent years will continue into the future, since this is a "catching-up" process that will level off.

Mr. Kvernland also exploded the bugaboo about life company investments in stocks via variable annuities putting them in control of corporations. For example, he said, an insurer could invest more than \$600 million in General Motors stock without owning as much as 5% of General Motors common stock. Similarly, it could invest more than \$3 billion, as of today, in the stocks of the 10 U.S. corporations having common stock market valuations of \$2½ billion or more, without having as much as 5% of the outstanding common stock of any one of the corporations.

"Even using as strict a criterion of eligibility as the New York tests for common stocks qualified as legal investments for savings banks and life insurance companies, we find that the common stocks meeting those tests, listed on the New York Stock Exchange alone, at the end of last year had a

market value of \$136 billion and that the entire life insurance industry held only the equivalent of 1.3% of the outstanding shares of the companies whose stocks were so eligible," Mr. Kvernland said.

"We know that we are going to fight inflation with everything that's in us," Mr. Kvernland said in concluding his talk. "However, should we turn our back and leave the problem or pretend that it doesn't exist?"

Hold Joint Session on Office Procedures

(CONTINUED FROM PAGE 7)

simple reporting form. Upon receipt of notice of the new claim, a file is established and a reserve set up. Incoming mail is opened, date-stamped and sorted. Mail bearing claim number is referred to the claim file section. The claim folder is pulled and with the mail is referred to an adjuster. Mail bearing no claim number is sorted alphabetically and passed along to the alphabetical index section.

A panel on A&S issue procedures was moderated by Burgh Johnson, Guardian Life, program chairman of the forum. Panelists were George Zevnik, Guardian Life; John W. Cromwell, Great American Reserve, and C.L. Matthews, Mutual Trust Life.

Mr. Zevnik said all of his company's cases, new business and changes, go from the underwriters to a calculator. Changes not involving calculations are passed on to a typist or data sheet writer who extracts and records information from the case papers for home office and agency records. On the remainder, the calculator will work only from the underwriting data sheet (the worksheet of the underwriter), the application and the rate book.

On new business, if the case is approved as applied for, there is no need to refer to the underwriting data sheet. If the case is rated or ridered, that information is taken from the underwriting data sheet and combined with the rate book in computing premiums. Either a flat or percentage rating may be indicated. A complete exclusion rider may change family composition and so the premium calculation.

Mr. Cromwell noted that one of the sources of misunderstanding between the home office and field force is delay in issuance of new policies. To avoid this, his company makes a study each month of the various time elements which go into processing new business. A random date is selected each month and case files are studied in detail.

Mr. Matthews said more than two years ago his company set about to change the style of its policy forms. The program started primarily to abandon the out-dated and somewhat cumbersome book style policy and adopt an easier-to-use documentary style. It was found that a part of the same project should be the redesigning of record cards. In attempting to coordinate the face of policies with the redesigned cards mechanizing the policy issue operation was developed to the greatest extent possible.

"We have accomplished our primary objectives of speedier issue of erasure free policies and realized a few more or less unexpected bonuses besides. Errors of all kinds either on the record cards or policies have dropped from about 35 per month to less than four per month. In all of 1955 we had to recall only two policies for correction and both of these were caused by in-

correct information on the original data sheet. Morale which used to be a problem in the policy issue division is now very high."

Home L. & A., Texas, Put in Receivership

Home Life & Accident of Dallas has been placed in permanent receivership and an injunction issued against the insurer and its officers prohibiting them from disposing of any assets.

Judge D. B. Wood in a Texas district court granted judgment against the Dallas company and a subsidiary, Home Thrift & Finance Corp., also of Dallas.

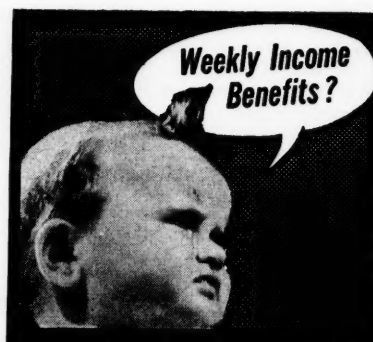
Attorneys for both companies did not oppose the action, pushed by the attorney general's office on request of the Texas commission. The commission had revoked the permit of Home L. & A. after the firm offered to surrender its certificate voluntarily. Judge Wood held that continuation of the company in business would be hazardous to policyholders, creditors and the general public. Home L. & A. was one of the largest credit insurers in Texas.

Security-Conn. Names GA

Security-Connecticut Life has entered Arizona by appointing Solot Realty Co. general agent at Tucson. George B. Greenberg is manager of the life department of Solot Realty Co. He entered the business in 1939 and was general agent of Postal Life in New Haven before moving to Tucson in 1954.

Equitable Unit Managers' School

Equitable Society has awarded diplomas in unit management to 41 unit managers who attended the semi-annual unit management school at Colorado Springs, Colo., for the western, north central and south central departments.



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Reuther Adds Mich. Blue Shield to His List of "Failures"

LANSING—As a proposed legislative inquiry into Blue Cross operations in Michigan hung fire this week, controversy over direction of an investigation already under way broke out afresh as Walter P. Reuther, president of United Auto Workers-CIO, who has repeatedly criticized Michigan Hospital Service since a 23.6% rate increase was asked and finally resulted in a 15% increase, demanded that a governor's commission extend its inquiry to Michigan Medical Service (Blue Shield).

Reuther contended that Blue Shield has "failed miserably in its obligation to enforce either the spirit or letter of the full payment terms" of its service contract. He said a union sampling showed that some surgeons were using "Blue Shield laxity" to "gouge... patients" by adding fees on top of those paid them under the medical service schedule.

Jay C. Ketchum, executive vice-president of Michigan Medical Service and a former deputy insurance commissioner, replied that any "overcharge complaints" such as those cited by Reuther, arise from "conditions which Blue Shield does not control." He said these are instances in which the subscriber has waived his rights to full service, is unaware of his contract rights, or "the services alleged to be overcharges are, in fact, not benefits under the contract." He said that "many cases classified in the survey as 'overcharges' would be the result of including in the physician's total bill charges for services not benefits under the subscriber contract, 'including pre-natal and post-natal care in maternity cases, visits to doctors' offices before and after surgery, laboratory tests and X-ray studies 'made outside hospitals or unrelated to the condition being treated.'"

The survey also, he noted, might well have included practitioners not participating in Blue Shield, including osteopaths and specialists whose charges "are usually in excess of Blue Shield allowances."

Mr. Ketchum said his organization "is prepared and equipped to adjust properly any justifiable complaint arising under its certificates" and has "successfully enforced its physicians' participating agreements in the courts or in behalf of its subscribers."

John W. Paynter, president of Michigan Hospital Service, reported the Blue Cross plan provided a record volume of hospital care in Michigan during 1955, totaling \$87,817,783, and involving more than 500,000 patients. The plan had 3,653,604 enrolled members at the end of the year, representing an 8.5% increase. The percentage of subscribers having both hospital and surgical-medical coverage reached a high of 98.61.

Heavy Agenda for McDonald

Five "field trips" are on the April and May agenda of Clifford McDonald, International Fidelity, Dallas, president of International Assn. of A&H Underwriters.

April 9-11 he will attend the A&H meeting of LIAMA in Chicago. On April 13, he will speak at the Presidents Day of the Austin association.

April 20 he will be on the program of the Illinois state A&H convention and on April 21, the Minnesota state convention. May 11 he will speak on the state program of the West Virginia association at Bluefield.

Agent's Attitude Toward Prospect Stressed at Chicago A&S Meeting

John J. Plumb, vice-president and director of Paul Revere Life, at the March meeting of Chicago A&H Assn., stressed the importance of an agent's attitude toward the prospect as a factor in selling insurance. More than 70 members and guests attended.

Mr. Plumb described attitude as "the propellant force in a salesman which makes him get the most out of his knowledge, skills and habits" and differentiated between the "illustration type" salesman and the "facts of life salesman." The former type is more a student of insurance than a salesman but the latter not only knows his subject well, but sells it well.

He listed the following facts of life as important aids in selling: Financial problems are inescapable; it takes money to live; the average man cannot use the save and create method to build up a money reserve; death is inevitable; there is a line of insurability we all will cross at some time; providing for a future need requires sacrifice today; and, people have frailties, chief of which are procrastination and the need of counsel in making decisions.

If the agent keeps these facts in his own mind and presents them properly to the prospect he will indeed do a much better job of selling, Mr. Plumb said.

In order for the agent to become a better facts of life salesman, Mr. Plumb offered these five suggestions:

Have a strong conviction concerning the service you render the prospect. Try to see your prospect, not as he is now, but in the future when he will be sick or dead or unable to provide for his family's needs.

Personally feel the prospect's problems—make them your own.

Get your list of prospects so big that you can be indifferent to the outcome of any one sale. In this way you will be more apt to tell the prospect what he needs and not what he wants to hear.

Develop belief in yourself, in your company and in the worthwhileness of the contract you are offering.

N.J. A&H Agents Hear Talk on Benefit Payments

"The Salutory Effects of an Intelligent Benefit Payment Program on Sales and Public Relations" was the topic of George F. Monks, manager of A&S claims for New York Life and chairman of the A&S committee of International Claims Assn., at the March meeting of New Jersey A&H Assn. at Newark.

Mr. Monks compared a claims man to the anchor man on a relay team. He said attention was, of necessity, focused on this final activity but the resultant performance was necessarily dependent upon what had gone on before.

Analyzing the various problems that were created in claims handling on a nation-wide basis, he discussed the most common problems of average claim departments by tracing the potential cause of the misunderstanding and possible unpleasanties back through one of the various operations prior to the occurrence of the claim. Emphasis was placed on the proper selection of risks from both a moral

and physical standpoint; the necessity of a complete understanding of the policy terms by sales forces so that the benefits and limitations could both be properly explained and justified at the time of sale and the necessity of delving into the past medical history of the applicant. Illustrations of the manner in which these factors could be handled at the time of sale were given and pointed out as being exactly the same type of reasoning a claim man would have to use when explaining to a policyholder that the benefits payable would not meet his expectations. Mr. Monks maintained that it is better not to issue than to have to rescind and that a loss, unreported because it is recognized as "not covered," is better than having the loss presented and resulting in a denial of liability.

President Francis T. Curran of Loyalty Group announced that the speaker for the April 12 meeting will be Miss Mary C. McKeon of Arlington, N.J., Prudential division manager, and president of Newark Assn. of Life Underwriters.

Application of NAIC Code to Be Discussed

Questions on the practical applications of the new A&S advertising code of National Assn. of Insurance Commissioners will be answered by Arthur F. Lamanda, deputy insurance superintendent of New York, in a talk before the A&H Club of New York at Shelburne hotel, New York, April 3.

Mr. Lamanda has been specially assigned the responsibility for the code in the New York jurisdiction.

Cash Sickness Comes Up Again in Mass.

A cash sickness fund has been proposed in the Massachusetts senate. The fund would be operated by an insurance authority which would maintain its own non-monopolistic insurance fund, similar to that in New Jersey. No tax is specified in the bill, but benefits set out in it are a \$6 minimum and \$25 maximum a week, payable for 26 weeks. The necessary tax rate would be set by the authority on the first \$3,000 of annual wage.

The house is also considering cash sickness bills, one similar to the cash sickness plan in New Jersey, which is supported by the Congress of Industrial Organizations, and a measure which would permit voluntary, self-insured, or trustee arrangements for disability without a state fund.

MSU Students to Vote on Adopting Group Plan

Michigan State university students will decide April 2-4 whether to adopt a comprehensive student group insurance plan. A referendum will be conducted during spring term registration and 60% of the student body must indicate an interest in the plan if it is to be adopted.

If approved, the plan would offer sickness, accident and death insurance to students at a cost of \$10.50 a year. Its effective date would be Oct. 1, 1956. Those insured would be covered anywhere in the world.

The MSU student government body, which proposed the special vote, was influenced by the fact that most family health and accident plans do not cover offspring after they reach age 18. MSU students are provided with up to 40 days of free medical service at the university health center, but must pay surgical fees. Medical fees incurred while off campus must be borne by the student. The plan provides a \$500 blanket accident medical expense benefit; up to \$150 for surgical fees; and life insurance of \$2,000 to be paid to the student's beneficiary in case of death.

Louisville A&S Group Elects Rothrock President

Louisville A&S Underwriters Assn. elected Karl E. Rothrock, Hoosier Casualty Co., president, succeeding W. W. Ziege, World of Omaha, who becomes chairman. William Boyer, Mutual Benefit H&A., was elected 1st vice-president; Andrew Carr, Bankers L&C., 2nd vice-president; Rowland Ziege, World of Omaha, secretary, and Mrs. Daphne Berry, Mutual Benefit H&A., treasurer.

Psychiatrist Addresses Chicago A&H Roundtable

Fifty members of Chicago A&H Roundtable heard Dr. M. J. Jansen, practicing psychiatrist and member of the Illinois Neuropsychiatric Institute, discuss mental and nervous disorders, their nomenclature and how they affect morbidity at the March meeting.

Dr. Jansen gave the underwriters an insight into the difficulties of diagnosing patients in a "disturbed state," explaining that what the patient explains

Let's talk

Invitation To A Career

A few months ago we published *Invitation To A Career*—an attractively illustrated brochure designed to sell the life insurance business to a prospective agent. Judged on the basis of repeat orders from companies and agencies, it has been tremendously effective.

And now we have a companion piece—a 24-page booklet with a wonderful mission in life—to intrigue the prospective agent enough to come in for an interview.

As an introductory offer we'll send 5 of the booklets and one brochure, price \$4. Simply order *Recruiting Packet*.



THE INSURANCE RESEARCH & REVIEW SERVICE

Hilbert Rust, C.L.U., President

INDIANAPOLIS

to the doctor at the initial interview, which becomes the diagnosis the underwriter receives, may not be the true diagnosis after treatment has been initiated.

She indicated that the categories of psychiatric terminology have not been definitely defined within the fields of medicine and psychiatry, causing an interchange of terminology when describing the same disability.

The main factors to consider, she said, are what caused the disturbed state and whether or not the individual has successfully returned to normal duties.

The business session, under the direction of Herb Nietzold, Bankers Life & Casualty, formed a nominating and rules committee for the election in May. The committee consists of Mr. Nietzold; Leona Davis, Guarantee Reserve, Hammond, Ind.; Walter Letzsch, Central Standard; James Warnken, Modern Life & Accident, and Jack Robinson of Prudential.

Fourth A&H Association Organized in Indiana

Northwestern Indiana Assn. of A&H Underwriters was organized at a meeting in Gary. This becomes the fourth local A&H association in the state. It will serve the Calumet area, which includes Gary, Hammond, East Chicago, Valpariso and surrounding towns. It will also accept members from nearby Illinois towns. Temporary officers elected are: President, James J. Craig, Jefferson National Life, Hammond; vice-president, Robert D. Rice, All American Life & Casualty, Gary; sec-

retary, J. B. Elliott, Continental Assurance, Valpariso.

Other Indiana locals are in Indianapolis, Fort Wayne and South Bend. The Northwestern association is the third formed in the state in 18 months. The state association was organized two years ago.

Ga. Passes Strict A&S Regulations

The Georgia law regulating A&S insurance, effective July 1, includes the 10-day free look condition as well as rules regulating the cancellation of policies.

All policies delivered to Georgia residents must be in envelopes imprinted in red, bold-face type the words "important insurance policy—please read." The company is also obligated, upon receiving an application, to give the applicant a written outline of the application and an explanation of the coverage, major exclusions, renewal provisions, and a reference to the policy for further provisions.

If a company wishes to cancel a policy for reasons other than non-payment of premium, attainment of the age at which the policy becomes non-operative, or change to an occupation which is considered uninsurable, it must refund 75% of the difference between the total premiums paid since the inception of the policy and all claims paid under the policy.

If a policy is cancellable, it must so state in bold face type in two places on the face of the policy. A 30-day written notice of cancellation is required. All non-cancellable and guar-

anteed renewable policies must remain so to age 60 and advertisements of such policies must state the maximum age at which they are renewable.

The law does not apply to non-profit hospital or medical service organizations or to commercial group insurance written for employees under a payroll deduction plan, auto medical payments, etc.

Michigan A&H Agents to Hold Sales Congress

Michigan Assn. of A&H Underwriters will sponsor a sales congress at Michigan State university, April 19.

Speakers on the program include Leonard McKinnon, president of the McKinnon & Mooney agency of Flint; Sid Horman, executive vice-president of Time of Milwaukee; Oakley Baskin of Mutual Benefit H&A., Buffalo; Ed Harden, executive vice-president of public relations for Drop Forging Assn., and J. W. Thompson, sales consultant to several national organizations and an instructor in business administration at Michigan State.

Urges Hospital Cover for Home Care of Aged

As home nursing services and other home care programs for the chronically ill are developed, it would be worthwhile to explore the possibility of extending hospital insurance to cover these services, according to Charles I. Schottland, commissioner of social security.

Mr. Schottland, who spoke at a 2-day meeting in New York City of National Health Council, said that while two-thirds of the population under age 65 have some form of hospitalization insurance, fewer than one in three of the aged have this coverage. The administration is exploring means of encouraging the extension of voluntary health insurance to the aged, he said.

He explained the government's plan to have the public health service conduct a continuing national survey on disease and illness. It is tentatively planned to send out questionnaires to a representative cross-section of the country. If Congress appropriates sufficient funds the survey may be put on a permanent basis.

Two A&S Bills Go to Governor in N. Y.

Two bills dealing with A&S have been passed by the New York legislature and sent to the governor. One provides that stock A&S companies licensed in the state are subject to the same restrictions on the payment of dividends as apply to stock casualty or surety companies and prohibits issuance of A&S or health insurance as an inducement to the purchase of securities or commodities.

The other would provide that in determining contingent surplus funds of hospital service corporations, the reinsurance of the risk can be deducted and substituted for part of the fund, on the basis of the amount of premium paid, if approved by the insurance superintendent.

Handbooks for A&S Agents Cover Wide Topic Range

Three handbooks for A&S agents have been published by H&A Underwriters Conference. All were prepared over the last year under the direction of the conference education committee and constitute major revisions of earlier handbooks widely used by home offices and field forces in education programs.

Designed as a study for agents' licensing exams, "Primer of A&H Insurance" deals with standard policy provisions, agency laws, licenses and claims. The text is in question and answer form.

"Selling A&H Insurance" contains

material on preparation for selling, prospecting, approach, qualifications, close, tips on meeting objections, and a brief history of the business. A check list of questions and answers is supplied with each order.

Presented in "Underwriting A&H Insurance" are such subjects as the application, misrepresentation, physical and moral hazards, overinsurance, deductibles and coinsurance. The viewpoint of the agent is given special emphasis.

A price list may be obtained from the conference at 208 South LaSalle street, Chicago.

Northwestern Mutual Names 2 General Agents

Northwestern Mutual Life has appointed Paul E. Burke Jr. and Peter A. Karl Jr. general agents at Baltimore



Peter Karl Jr.



Paul Burke Jr.

and Utica, N.Y., respectively. The appointments are effective April 1.

Mr. Burke, formerly general agent at Utica, fills the vacancy created in Baltimore by the death of Russell L. Law Sr., who was general agent there for 32 years. Mr. Karl was formerly an agent for the company at Utica. Mr. Burke joined the company in 1938 at Wheeling, V. Wa.

Elder of B.M.A. Retires

W.M. Elder, field service representative for Business Men's Assurance in California with headquarters at San Francisco, has retired and is succeeded by T. F. Harris, formerly of Business Men's home office and recently appointed regional claim manager in California. Mr. Elder had been with the company for 18 years.

Southland Life New Plans

Southland Life has replaced its whole life policy, minimum \$10,000, with a new whole life, minimum \$25,000, and its life paid-up at 85 plan by one with a minimum of \$10,000. An endowment at age 85 plan has been introduced, maximum \$9,999.

State Mutual Manager



Albert A. Hans

State Mutual Life has appointed Albert A. Hans manager in Brooklyn. Mr. Hans has been assistant manager of the Cerf agency in New York City.

Ellis with Midland Mutual

Midland Mutual Life has appointed William H. Ellis Jr., assistant director of agencies. Mr. Ellis has been in insurance for nine years and before joining Midland Mutual was with Prudential at Columbus, O. He was president of the 1949 graduating class of the Purdue course. Mr. Ellis is on the board of Columbus Life Underwriters Assn. and is chairman of the National Quality Award committee.

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Sales Ideas That Work

'Little Things' in Sales Make Difference Between Success and Mediocrity: Golden

The little things that are done or not done in selling will add up in the long run to make the difference between success and mediocrity, Edwin T. Golden, New York Life, San Francisco, told New York City Assn. of Life Underwriters.

Mr. Golden, a Million Dollar Round Table member and a CLU, quoted the saying that "success is not a little thing, but it is made up of little things." He listed a number of things, often forgotten, which build up a sum of results over a long period.

He suggested "thank you" letters be sent to prospects after the application goes to the home office and before the policy arrives. These notes help the atmosphere at the time of delivery.

The agent should handle service needs on all life insurance of his clients, or else the door will be left open for a rival agent. It is not wise to sell a policy and "just sail away."

It is possible to waste precious minutes every day, yet make oneself think that important things are being done. However, orderly records must be kept because they will be a gold mine after a few years in business.

Mr. Golden advised that less pleasant tasks like delivering policies, telephoning or seeing new people be done first. Office detail and service work should be done in off hours. Probably one outstanding thing about successful agents is that they make calls, while failures do not, he commented.

It is a good idea not to be too hard to get rid of, he said, in order to create an atmosphere that will make it easy to see the prospect again. It is bad judgment to be too persistent over the telephone. But if Mr. Golden spends a great deal of time with a prospect, he will put on a little pressure to make a sale.

If an agent's time is valuable, he is too good a business man to spend it on work which he could pay others to do

for a fifth of a 10th of what his own time is worth.

Agents should acquire knowledge through challenges like CLU to reach maximum potential.

Mr. Golden warned against bawling out people, although it may seem justified in some cases. The person might be able to say a good word for the agent some time later - or even become a policyholder. He advocated the habit of remembering names.

The agent must be an executive and a salesman. Many hard workers do not make successful closings. Efficient and effective closings, the weakest link in the chain, separate the men from the boys, Mr. Golden said. He demonstrated one of his own successful techniques.

If an agent wishes to deliver an alternate policy, which he thinks is a better plan than the one registered by the client, the premium on the alternate should be a little higher. In all buying, people feel a better article costs a little more. It is to the agent's advantage to fit in with this philosophy. The original should be handed over first to the client at delivery, and then the alternate should be presented with reasons for its superiority.

Mr. Golden shared the platform with Edward Berman, director of sales training of Allen B. DuMont Laboratories, Inc., television manufacturers.

More sales are lost in the present era of speed by not getting to the point quickly than for any other reason, Mr. Berman said. Sales stories must be boiled down for faster presentation. Visual advertisements, radio and TV commercials are good examples of rapid presentation.

The greatest need in selling is a demonstration of the product or service at the point of sale. The prospect might be invited to visit the salesman's place of business or see an example of his work. The product should be demonstrated in operation. Charts, films and visual aids are a help.

Every creative sales idea is a basic form of "hourglass selling," Mr. Berman said. He explained hourglass selling by referring to a quotation: "I recommend you to take care of the minutes, for the hours will take care of themselves." He gave some examples of creative sales ideas, one of them blue

and pink juvenile policies for boys and girls.

He advised agents to attract more attention to themselves and their service by making more personal visits and telephone calls, sending more letters, post cards and brochures to prospects. All should be designed to tell the story more quickly.

Quick, humorous, dramatic and dynamic sales presentations will stimulate more interest in the product. Creative, convincing and sensible demonstrations will create greater desire for the agent's service more quickly.

Mr. Berman urged agents to have confidence in themselves, their company and its integrity. They should explain the benefits but not oversell. They should be good listeners and avoid using pressure. Finally, there is no substitute for hard work, he said.

Los Angeles Panel Tells Value of First Training

Los Angeles Life Agency Supervisors and Life Insurance Managers Assns. held their annual get-together at which three members of the supervisors association participated in a panel discussion on "The Initial Training and Field Work for New Agents." Panelists were Richard Evans, Equitable Society; E. E. Wekall, general agent for Lincoln National Life and until recently supervisor at the Stewart agency of Pacific Mutual Life, and Carl C. Wallace, New York Life.

Mr. Evans emphasized the necessity of getting the new man on the side of the general agent as a part of creating a team spirit. Mr. Wekall declared that good initial training lays the ground work for a successful career. "The responsibility I assume in hiring a man is great," he said, "therefore, the responsibility for a good initial training program is equally great. I spend a considerable part of my time in attempting to build a good initial program." Mr. Wekall said if a new man is weak in some particular field, have him give a 15 minute discussion on the subject and then get constructive criticism and ideas from the older men. "It is difficult to measure the effectiveness of training but very easy to measure the lack of it," Mr. Wekall said.

Mr. Wallace said he thought that work habits constitute the secret of failure or success for the new man. "Few men ever fail in the life business after having established the proper work habits," he said. Mr. Wallace said it was comparatively easy to train new men in the proper selling techniques but that proper habits bring up a different story.

SIERRA'S FORMULA

Texas Life Agent Succeeds Despite Aptitude Tests

Johnny S. Sierra, Great Southern Life, Dallas, was "supposed" to be a flop in the life business, but instead, was a success—even becoming a Million Dollar Round Table life member.

Before he finally got into the business in 1941, he was told by several managers that he should not attempt it, because he had no market, was too young, and the results of his aptitude tests were unfavorable. In retrospect, this has led Mr. Sierra to conclude, "It's not nearly so difficult to succeed as a life agent as to get into the business." He made his remarks at the Tri-City sales congress which stopped at Houston, San Antonio and Dallas.

Mr. Sierra said he wanted to get into the life business after seeing the renewal checks received by a comrade in the army. Another reason, he said, was the fact that the only asset his father had in 1931 and 1932 was the cash value on a 20-year pay policy which his father owned. "I ate insurance or I did not eat," he said.

Mr. Sierra agreeing training is necessary, nevertheless said, "No one can ever teach me how to sell life insurance. My job is to sell recognition of the prospect's problems."

Mr. Sierra also told about his record keeping. He said that in his first year in the business each call was worth \$2.08 and last year it was worth \$11.16, with each interview worth \$39.58. He said that now he sends out three letters each day and that he uses the telephone with results graded into three categories: "Good for appointment, a nibble, and no good."

Cautions Against Too Much Programming and No Prospecting

D.G. Liggett, administrative assistant of Southland Life, told Austin (Tex.) Life Underwriters Assn. that too many agents start programming too early and end up with beautiful programs and no established market. As a result, he said, the agent is doing poor production.

Mr. Liggett then gave some tips on prospecting. He said that contacts made in civic activities are most valuable because those who participate in this work learn to know the insurance salesman as a worthy citizen. He also advised his audience to sell the prospect what he wants and avoid the loss of a sale by trying to sell him what the agent believes the prospect needs.



Edwin T. Golden



Joy M. Luidans (left), secretary-manager of the Chicago Assn. of Life Underwriters, entertained a group of guests at the NALU midyear in Hartford by showing color slides of her travels in Egypt. Waiting expectantly are (seated) Ellen Putnam, National of Vermont, Rochester, past chairman of the women agents committee; Thelma Davenport, Northwestern Mutual, Washington, chairman of the women agents committee; Florence McConnell, John Hancock, Galesburg, Ill., immediate past chairman of the Women's Quarter Million Dollar Round Table, and (standing) Sophie Baranski, Prudential, Newark, membership chairman for women agents.

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Mutual of Omaha Notes Rise in Children's Accidents

Children will sustain more accidents if a trend reported by Mutual Benefit H.A. continues its course. Statisticians of the company say children are being disabled more each year by accidents and less for health ailments.

These and other trends were noted as the results of a study involving 1,104,142 cases from 1952 through 1954. Figures for 1955 are not yet available.

Accidents caused 22.7% of children's disabilities in 1952, 25.6% the following year and 28.8% in 1954. Correspondingly, health causes dropped from 77.2% to 74.3% to 71.1% during the same period.

An increase in fractures, cuts and bruises helped push up the accident figures. Each of the years covered in the survey reflected a rise in these percentages, with boys leading the way.

Fractures of the arm, in particular, have climbed steadily as a cause of disability among children. They were the cause of 26 of every 1,000 disabilities among boys in 1952, and 32 of every 1,000 in 1954. For girls, too, the trend was the same but on a smaller scale.

The only adult parallel to the children's trend of more disability because of accidents and less for health reasons is among married women.

Met Honor Club Elects Isaacson

C. Jack Isaacson, Chicago, was elected president of Metropolitan Life Millionaires Club at a conference in Hollywood, Fla. Mr. Isaacson, an 8-time qualifier who sold \$1.5 million in 1955, was secretary last year.

Also elected were Irving R. Aaronson, New York City, executive vice-president; Thomas B. Rosser, Jackson, Tenn., secretary; Martin F. Mihal, Schenectady, treasurer; Aaron B. Goldstein, South Boston, and Patrick M. Mucci, Paterson, N. J., past presidents. Elected to the board were Mr. Mihal

and Mr. Goldstein, 3-year terms; Mr. Rosser and George Landa, New York, 2-year terms; Olen C. Green, Anniston, Ala., and Arnold E. Northrop, San Diego, 1-year terms.

Renewal Commission Loan Firm Expands in South Cal.

Underwriters Credit & Guaranty Corp. has expanded its branch office at 9935 Santa Monica boulevard, Beverly Hills, and the office now will service all of southern California and Arizona.

Underwriters, which has its home office at 405 Montgomery street, San Francisco, arranges loans based on renewal commissions and related insurance collateral with various banks. The service is being made available on a national basis to individual agents, general agents and insurance companies. Wilson B. Foster is president.

Transfers to Indiana

James J. Smith has been appointed assistant general agent at the South Bend Ind., general agency of Aetna Life by Robert J. Curry, general agent.

Mr. Smith entered life insurance five years ago as a representative of the company's Brooklyn general agency and last year was promoted to supervisor at New York City.

Crawford Named in Okla.

John Crawford has been appointed policy analyst in the accident & sickness division of the Oklahoma department. He also will assist in reviewing company financial statements. Mr. Crawford has been in the army finance corps for two years. He is a graduate of the University of Oklahoma.

Colonial L.&A. Names Smith V-P

Colonial Life & Accident of Columbia, S.C., has appointed Carrell O. Smith agency vice-president. Mr. Smith, in the business since 1927, has been vice-president in charge of the A&S department of American Casualty of Reading for 12 years.

Second Paper Scores Rash of New Indiana Insurers

A second newspaper has taken up the attack on new-company formation in Indiana. The *Indianapolis Times*, a Scripps-Howard paper, has begun a series on insurance following the series in the *Indianapolis Star*, an independent, reported in an earlier issue.

The *Star* article has already had repercussions from companies in the state. The president of one Indiana company has sent a memorandum to all established home offices pointing out that the articles reflect unduly on Indiana companies, that Indiana laws are basically sound, and that the current commissioner, William J. Davey, is one of the best the state has ever seen.

The *Times* series points out that six new companies were started in 1955 and that five more have already been initiated in 1956, a total "that's equal to the total of stock life companies existing in Indiana before 1950."

"The worst part of it," the paper quotes one "insurance expert" as saying, "is that some of the promoters don't know a thing about insurance and don't care after they clean up selling stock."

The *Times* series is objective rather than sensational. It gives both sides of the story, pointing out that some established companies were formed on a basis that looked primarily promotional at the time but "later became rocks of Gibraltar as insurance experts took over and ran the business as it should be."

The newspaper blasts particularly the "underwriting system" of forming companies. According to the paper, the system consists of forming an underwriting company to become the holding company of an insurance company to be formed later. The underwriting company buys the "lion's share of the stock in the original company." They buy it at, say, \$5 a share, while selling it to the public for \$10. "The same directors then form the insurance company—with the biggest chunk of stock being bought by the underwriting company. The directors and underwriting company buy stock at, for example, \$3 a share. Additional stock is sold to the public at \$6 a share."

"They haven't even sold any insurance at that stage," the paper quotes Securities Commissioner Foust, as saying. "What have they done to earn it?"

"I had six or seven companies wanting to start that way since last October," the *Times* quotes Foust as reporting. "I'm saying 'no.' There's nothing in the law to prevent it, but we can effectively discourage them because their recourse in court would hurt salability of stock."

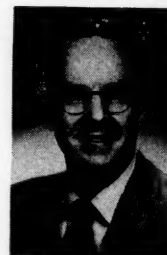
Both Foust and Commissioner W. J. Davey are quoted by the paper as agreeing that the insurance department should have more to say about the formation of new companies, now almost exclusively in the province of the securities department. They are also quoted as recommending that the price of second and third stock issues be governed by actual book value instead of by the new company's own estimate, as at present.

35 Mass. Mutual Agents Study

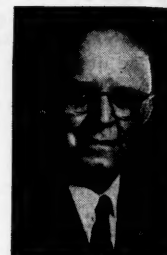
Thirty-five Massachusetts Mutual Life field representatives have completed the 10-day home office school for career underwriters. They are undergoing a period of supervised field work in their home territories. Under the direction of Vice-president Charles H. Schaaff, the study course covered business insurance, methods of arranging personal life insurance programs, recent changes in the federal tax laws and social security regulations, and related aspects of sales techniques and the use of sales promotional materials.

Lochemes Ending Career with Northwestern Mutual

Joseph N. Lochemes, director of underwriting and founder of the underwriting department of Northwestern



P. K. Frazer



J. N. Lochemes

Mutual Life, is retiring and will be succeeded by Paul K. Frazer, assistant underwriting director.

Mr. Lochemes joined Northwestern in 1909 and became the company's first traveling field auditor in 1924. Four years later, he was chosen to head the policy division of the secretarial department and was appointed an assistant secretary of the company. In 1942 he was picked to organize a new department to handle most of the work of issuing new policies. In 1945 he was elected an executive officer and given his present title.

Mr. Frazer joined Northwestern in 1928. He was named assistant actuary in 1943 and two years later transferred to the newly formed underwriting department. Mr. Frazer is a Fellow in Society of Actuaries.

Mid-States Mutual Surrenders License

Mid-States Mutual Life has surrendered voluntarily its license and ceded all assets and liabilities to Mid-States Security Life. The Texas commission has approved a reinsurance agreement between the two Fort Worth companies, and Mid-States has agreed to dissolve.

A spokesman for the Texas commission said Mid-States was one of 18 insurers which did not submit its 1955 financial report by the deadline, Feb. 29.

Industrial Policyholders of Met Attain 70-Year Life Expectancy

Average length of life of America's wage earners and their families has reached the Biblical three score and 10, according to Metropolitan Life.

Provisional mortality data for 1955 shows that the expectation of life at birth among Metropolitan Life industrial policyholders rose to a new high of 70 years. This is an increase of one-third of a year since 1954 and more than five years in the last decade. Since 1909, the increase has been nearly 24 years. Increase in life expectancy of industrial policyholders has been more rapid than for the general population. In 1909, the average length of life among these insured was six years less than for the population as a whole. At present, the two are on a par.

OK Reinsurance Deal

The Texas commission has approved a reinsurance agreement by which Southern States Life of Houston cedes outstanding obligations to residents of Alabama to Alabama National Life. The reinsurance agreement previously was approved by the Alabama insurance superintendent.

January Benefits up \$45,800,000

January benefits paid to policyholders and beneficiaries under life policies totaled \$522,800,000 up \$45,800,000, according to Institute of Life Insurance. Living benefits accounted for \$317,900,000 of the total.

WANT ADS

Rates—\$20 per inch per insertion—1 inch minimum—sold in units of half-inches. Limit—40 words per inch. Deadline 5 P. M. Friday in Chicago office—175 W. Jackson Blvd. Individuals placing ads are requested to make payment in advance.

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Progressive Midwest legal reserve life and A&H Company with rapidly expanding group operations in the United States and Canada needs immediately an experienced group sales and service man age 25 to 35, to assume top level Home Office and field responsibilities in all phases of group insurance. Home Office experience is desirable but not mandatory. Outstanding opportunity for growth and advancement. Salary and supplemental compensation commensurate with experience and ability. Address Box L-12, c/o The National Underwriter Co., 175 W. Jackson Blvd., Chicago 4, Ill.

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A rapidly growing Company with \$200,000,000 Life Insurance in force has a splendid opportunity for a young man who has completed all or four associateship examinations. Located in scenic New Hampshire, 70 miles from Boston, conditions are ideal for work, study and recreation. Write in confidence to: Clayton L. Jackson, Actuary, United Life and Accident Insurance Company, Concord, New Hampshire.

AGENCY SUPERVISOR

Large life agency in N. Y. City has promising opening due to promotion. Personal production record ability to sell with and for men in field and train in office essential. Supervisory experience helpful, but not necessary. Supervisory aptitude test. Excellent opportunity. The Lee Nashem Agency, Mutual Benefit Life Ins. Co., 110 E. 42 St., N. Y. City, OXford 7-2950.

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Life company 22 years old expanding in Virginia, Tennessee, North Carolina, South Carolina, Georgia and Florida. If you have a proven Sales Record and Ability to Recruit and Train Agents, this is your chance of a life time. Send details and photo to: Box L-54, c/o The National Underwriter Co., 175 W. Jackson Blvd., Chicago 4, Ill.

See Gradual Revision of NALU By-Laws

(CONTINUED FROM PAGE 1)

fore going on to the new by-laws.

While the new constitution approach has been abandoned, its provisions are of interest as indicating the thinking of the by-laws revision committee.

For example, it was proposed that the board of trustees, while still 12 in addition to the officers, as at present, four would be elected on a geographical basis and eight elected at large. The proposed areas are the northeast, southeast, middle west and far west. This plan of trustees geographically selected and trustees at large was adopted as a compromise between the present completely at-large procedure and a completely geographical basis.

The proposed constitution specified that the nominating committee would select every two years one or more nominees for trustee for a 2-year term, designated as area nominees, from each of the four geographical areas. Additional area nominees could be nominated from the floor by any member of the national council within the respective areas.

The nominating committee would also select annually four or more nominees, designated as nominees for trustee at large, to serve 2-year terms and any additional nominees to fill vacancies in the exact number of positions to be filled, such nominees being for a 1-year term. All nominees at large would be selected without regard for geographical location and additional nominations could be made from the floor.

In addition to assuring a more equitable distribution of trustees by territory, a major object of the proposed change is to avoid the present likelihood that if there are two outstanding candidates from a given region only one will be selected by the nominating committee for fear of upsetting the geographical balance. Under the projected plan, one of the strong candidates could be chosen as the area candidate and the other nominated as a candidate at large.

Another objective of the suggested change is to eliminate the present "odd man out" situation in which all but one of the nominees are elected, with the result that the election becomes a sort of "unpopularity contest." The possibility of being the only loser on the slate has deterred many good men from letting themselves be nominated for trustee.

Easily the most controversial point involved in the proposed revision is that dealing with the power of the national council to overrule actions of the board of trustees within certain limitations. The constitution draft would give the national council the power to overrule the trustees "within the following limited areas":

1. Where the board of trustees votes to exceed the limits of the budget.
2. Where the board of trustees votes to deplete the surplus.
3. The power to borrow money on the credit of NALU.
4. The recognition or expulsion of member and state associations.
5. All matters of interpretation of the constitution.

A quorum of at least two-thirds of all members of the national council registered with the credentials committee would be necessary for any overruling action, which could be accomplished only by a three-fourths majority of those voting and would take place not later than the next

meeting of the council following the board of trustees' action.

These proposals ran into intense opposition at the trustees meeting in Hartford. There was a strong feeling that these powers to override the trustees would hamstring the board in many situations and make it impossible for the board to deal in a final way with third parties, since the action might be revoked by the council if it came within one of the classes subject to review.

There was also the feeling that these limitations would deter many well qualified members from becoming candidates for trustee.

A compromise that has been suggested would be to give the national council review power under conditions where the board is split on a question. For example, it might be provided that where a specified number of majority members of the board sign a petition to take a question to the national council within 12 hours of the board's action, the council could act. Otherwise the board's actions would be final. For example, it might be required that a substantial minority, say five, six or seven members of the 12-man board would have to sign a petition to bring a question before the national council. Presumably, of course, such actions would be limited to certain types of situations.

This type of suggestion would take care of the sort of situation that originally gave the main impetus to giving the national council power to override the board of trustees. That was at the 1954 annual meeting in Boston at which the national council expressed a definite preference for keeping the NALU headquarters in the New York City area, in spite of which the board, by a slim majority, voted to reaffirm its earlier decision to move to Chicago. There was considerable talk about the board's action constituting an affront to the national council. In an unusual action, the newly elected board at Boston reversed the old board and voted on Washington, D.C. for the headquarters location, in conformance with a mail preference poll conducted by NALU among the member associations.

Pennsylvania Adopts NAIC Advertising Code for A&S

The Pennsylvania department has adopted the rules of National Assn. of Insurance Commissioners governing A&S advertising, effective June 1.

Manhattan Life Issues 'Family Plan' Policy

(CONTINUED FROM PAGE 2)
downment payable at the end of 20 years remains unchanged.

Conversion of a portion or all of the insurance to a plan running beyond the 20 years is provided. The applicant and his wife may elect a conversion option within 30 days before or after maturity date if final settlement has not been made. The child's conversion option may be elected any time before he is 20 years old and before the expiration of 30 days after the maturity date if final settlement has not been made.

The policy normally will be issued on a non-medical basis, but the company reserves the right to require a

medical when deemed necessary.

The policy is participating, has cash values and non-forfeiture benefits. Preliminary term may be written for a period not exceeding one year, provided the applicant's age at the date of the term's expiration does not exceed the issue age limit.

The policy has been approved in New York, Arizona, California, Colorado, Florida, Michigan, Oregon, Pennsylvania, District of Columbia and Alaska. Other states are considering it.

St. Louis Tops Cities in Rate of Increase in Sales of Ordinary

St. Louis led large U.S. cities in percentage rate of increase in ordinary life sales in February with 47% and in the first two months with 28%, according to LIAMA.

Other large cities showed these percentage rates of increase for February and the first two months, respectively: Boston, 18 and 15; Chicago, 26 and 15; Cleveland, 20 and 23; Detroit, 16 and 13; Los Angeles, 33 and 14; New York City, 13 and 8; Philadelphia, 14 and 10.

N. E. Life Names McIntosh 2nd V-P

New England Mutual Life has appointed James B. McIntosh 2nd vice-president and assistant to the president.

Mr. McIntosh joined the investment department in 1945, becoming administrative assistant to the president in 1952 and assistant secretary in 1954.

Colonial in Force Passes \$400 Million; Top Managers Cited

Colonial Life insurance in force has passed the \$400 million mark, President Richard B. Evans told managers of the combination agencies department at the annual dinner in the Savoy-Plaza hotel, New York City.

The dinner was given in recognition of leading managers of the past year. Daniel H. Westcoat, Vineland, N.J., was cited for doing the best all-around agency building job. The selection was based on sales volume, production by new and experienced agents, persistency of business, company cooperation and leadership ability. Mr. Westcoat joined the company at Atlantic City in 1936 and was named manager in 1944.

Lewis Richardson, Norristown, Pa., led in weekly premium net increase. Honorable mention went to Reuben Hill, Camden, N.J. Thomas Davis, Puerto Rico, and Frank Buscanics, Charleroi, Pa.

Leader in monthly debit ordinary was Fred Harding, New Kensington, Pa. Honorable mention went to Eugene Huston, West Chester, Pa.; Marvin Ayres, Asbury Park, N.J., and Harold Sloan, Pottstown, Pa.

Notice and receipt ordinary 2-year net increase leader was Mr. Westcoat. Dunbar Janson, Jamaica, N.Y.; Mr. Sloan, and John Granato, New Brunswick, N.J., won honorable mention.

Mr. Harding led in conservation. Honorable mention went to Mr. Sloan; Joseph Filardo, Rochester, N.Y., and Mr. Granato.

Irvin Joins Rating Section of Ohio Department

R. Carter Irvin has been appointed supervisor of the rating section of the Ohio department.

He was formerly chief attorney examiner for the department handling investigation of complaints and prior to that was an attorney for Ohio Industrial Commission.

DEATHS

ROBERT O. BICKEL, 53, a leading producer for National Life of Vermont



Robert O. Bickel

died in the Kuttler agency at Cedar Rapids, Ia., died of a heart attack while returning to his home from a vacation at Mobile, Ala.

Mr. Bickel was a life member of the Million Dollar Round Table and served as MDRT secretary - treasurer in 1940-41.

He was nationally known for his original selling methods, in 1941 creating the "Master Contract Plan" which was published by National Underwriter Co. He was the first Iowan to become a CLU, was the 36th charter member of MDRT and the first from Cedar Rapids. He had just qualified for the 25th consecutive time for National Life's Leaders' Club.

One of Mr. Bickel's best known selling aids was the use of a picture of his dog on his mailing pieces. He made a number of talks before life agent meetings.

SIR EDMUND T. WHITTAKER,

mathematician, scientist, author, and the first man to be made an honorary member of the Faculty of Actuaries in Scotland, died in Edinburgh at 82. He was the father of Edmund B. Whittaker, vice-president of Prudential. Sir Edmund had been a fellow since 1905 of the Royal Society, organization of Great Britain's leading scientists, which awarded him its Sylvester medal in 1931 and its Copley medal two years ago. He received from the Vatican in 1935 the Cross Pro Ecclesia et Pontifice. He held the Hitchcock professorship at University of California in 1934 and received an honorary doctor of laws degree there. He was the recipient of many other honors.

ERNEST S. ASHBROOK, 76, who retired last year as board chairman of

North American Life of Chicago, died in Coral Gables, Fla. Mr. Ashbrook started with the company in 1910 as manager at Topeka, Kan., and rose through various posts to the presidency in 1927, serving in that capacity until 1951 when he became chairman.

C. G. Ashbrook, a younger brother of Ernest, became president of North American in 1955. The younger brother started with the company in 1921.

The late Mr. Ashbrook was transferred from Topeka to Kansas City in 1911 as manager of the southwestern department. In 1919 he went to the home office as vice-president in charge of the agency force.

Mr. Ashbrook was a native of Granville, O., and graduate of Denison university.

HARRY W. K. ANDERSON, 68, assistant superintendent of agencies of Travelers for 20 years until he retired in 1952, died in Hartford Hospital.



Ernest S. Ashbrook

NEWS OF LIFE ASSOCIATIONS

N. Y. State Assn.

Caravan April 11-13

New York State Assn. of Life Underwriters will hold its annual all-day caravan April 11 at the Hotel Lafayette in Buffalo, April 12 at the Hotel Onondaga in Syracuse and April 13 at the Hotel Saranac at Saranac Lake. The sessions will run from 10 a.m. to 4 p.m.

Speakers and their topics will be Joseph F. Riley, Metropolitan Life, Taunton, Mass., "Is The Lettuce in Your Sales Sandwich Still Crisp?" Kenneth L. Anderson, staff editor of Insurance R&R, "The Art of Followship;" Paul Brower, director of advanced underwriting of Mutual of New York, "Sales Opportunities in Today's Tax Law," and Umberto A. Palo, Prudential, New Brunswick, "Motivation Means Millions." Moderator will be Harry K. Gutmann, Mutual of New York, New York City.

Speakers List Ready for Chicago Congress April 5

A strong program has been planned for the annual sales congress of Chicago Life Underwriters Assn., to be held April 5 in the Prudential auditorium.

Speakers include Stanley C. Collins, Metropolitan, Buffalo, president of NALU; J. S. Sierra, Great Southern Life, Dallas; Z. Willard Finberg, manager of Great-West Life at St. Paul; O. Alfred Granum, assistant director of agencies of Northwestern Mutual, and A. Gordon Nairn, executive director of agencies of Prudential.

Harrisburg Agents Sponsor Meeting on Heart Care

Harrisburg (Pa.) Assn. of Life Underwriters sponsored a public meeting in the state education building to hear Dr. William A. Jeffers, associate professor of medicine at the University of Pennsylvania, discuss "New Hope for the Heart." Dr. Jeffers explained what the layman should know about heart care.

Each of 182 members of the Harrisburg association was given 10 tickets to distribute among clients and friends, which brought an audience of about 1,800 to the meeting.

North Sees Record Year

Despite a tremendous increase in life sales in 1955, this year will be even better, Cecil J. North, vice-president of Metropolitan Life, told 1,300 persons at the annual New England sales conference sponsored by Boston Assn. of Life Underwriters.

Other speakers included Barnes C. Anderson Jr. and Emory J. Wilson of Northwestern Mutual Life in Philadelphia and Martinsville, Va., respectively; William H. Gove, vice-president of EMC Recordings Corp.; Kenneth W. Greaves, Milwaukee; and Lieut.-Gov. Whittier of Massachusetts.

Plan Mich. Rally May 10

Michigan Assn. of Life Underwriters will hold its annual convention and sales congress at Lansing May 10. The annual dinner session of Life Leaders of Michigan will be held May 9. Harry N. Phillips, Sun Life of Canada, is convention chairman.

Minehan to Talk at Annual of Illinois Life Agents

Among speakers at the annual meeting of Illinois Life Underwriters Assn. in Decatur April 6 will be William B. Minehan, secretary of Northwestern Mutual Life. He will address a dinner meeting on "No Time for Standing

Still." Other speakers for the meeting were listed in a previous issue.

Tulsa—William T. Fleming Jr., Phoenix Mutual Life, Philadelphia, past president of Philadelphia Life Insurance & Trust Council and former estate planning officer of Girard Trust Co., spoke on "Estate Planning Today."

Danville, Va.—Walter M. Adams, director of training of Pilot Life, spoke.

Asheville, N.C.—W. F. Yates, general agent of Lincoln National Life at Raleigh and president of North Carolina Assn. of Life Underwriters, spoke.

Syracuse—Hugh MacKay, associate counsel in charge of advanced underwriting and estate planning of State Mutual Life, presented new sales ideas in advanced underwriting.

Minneapolis—A two-day school on business coverages was conducted by the Twin Cities association. Speakers included Ralph G. Englesman, a New York sales consultant to several life companies, and Samuel Zeigen, general agent of Provident Mutual at New York.

Lansing, Mich.—W. G. Dowd, Retail Credit Co., Detroit, addressed a breakfast meeting.

Marquette, Wis.—Richard Drebus, Ansl Chemical Co., spoke at the March meeting of the Wisconsin-Michigan association.

Spartanburg, S.C.—Walter B. Wheeler, director of field services of American College, spoke.

Adrian, Mich.—Commissioner Navarre addressed the Lenawee-Hillsdale association.

Buffalo—Donald G. Bird, Prudential, Niagara Falls; Joseph N. Desmon, Continental Assurance; Peter J. Keenan, Penn Mutual Life; Robert G. Tabor, Travelers; and W. Ray Hutch, Aetna Life, spoke at a sales panel.

Phoenix—Tage Pedersen, Equitable Society, Phoenix, addressed the March meeting on "What Is Work?" Mr. Pedersen, an immigrant from Denmark and graduate of the University of Copenhagen law school, was in insurance in Copenhagen.

Flint, Mich.—The March meeting was addressed by Gordon V. Hockaday, Equitable Society, Spokane, a trustee of NALU.

Louisville—Jack E. Rawles, 2nd vice-president of Lincoln National Life, discussed "Recent A&S Developments and the Life Underwriters" at a March meeting.

N. Y. Life 1955 Report Features Local Branch

New York Life's annual report, distributed to policyholders and centers of influence in the U. S. and Canada, reviews accomplishments in 1955 and in the last decade and features a photographic documentary of the Madison, Wis., branch.

The report focuses attention on the Madison office as one typical of all New York Life branches. Picturing New York Life as a local company, the photos show its employees at work and its investments in local stores, utilities, industries and railroads. The theme is "The Branch Office and its Community."

"It is sometimes forgotten that balance sheets and statements of operations involving millions and billions are simply the sum totals of many individual transactions," according to Chairman Devereaux C. Josephs and President Clarence J. Myers. "Behind the cold statistics are people living and working in their own communities."

"By focusing our attention on one branch office and the area it serves we can grasp more readily the significance of the statistical totals," they said.

Heads Anchor Life, Tex.

H. William Tshudy has been moved up from executive vice-president to president of Anchor Life of Dallas. Mr. Tshudy has served in the Arizona house of representatives and was one of the authors of the Arizona insurance code.

Spencer Marks 10th Year

Charles D. Spencer & Associates of Chicago, publishers of a wide variety

of material concerning employee benefit plans, is observing its 10th anniversary. The firm has moved into expanded quarters at 180 East Adams street.

Besides *Employee Benefit Plan Review* and *EBPR Research Reports*, which report and analyze benefit plan developments, the firm publishes monthly news letters which highlight court decisions and other matter pertinent to estate analysis and business life insurance plans.

Charles D. Spencer heads the editorial staff, assisted by Frank A. Post. Before their present association, the two worked together in editorial work for 20 years. Vernon C. Vogt, an economist and former instructor at the University of Montana, is associate editor, and the business manager is Richard H. Harris.

FRATERNALS

Royal Neighbors Ends '55 with \$426 Million in Force; Up 6 Million

Insurance in force of Royal Neighbors amounted to \$426,523,654 at the close of 1955, an increase of \$6,469,525 over 1954. Assets amounted to \$156,715,144, an increase of \$4,224,689. The society earned a net interest rate of 3.45% for the year.

New paid for insurance amounted to \$22,760,000, up \$559,500. The society's membership increased to 557,529. Unassigned funds increased \$1,090,598 to a total of \$17,884,255. Benefits amounted to \$7,372,108, an increase of \$260,311. Of the benefits, dividends paid to members accounted for \$1,855,622, an increase of \$40,478.

Aid Assn., Lutherans, Adds to Scholarships

Aid Assn. for Lutherans will increase its educational assistance program for the 1956-57 academic year by \$10,500 to a total of \$29,500 in scholarships and grants in aid to more than 100 students preparing for the ministry, teaching and lay leadership in the Lutheran church. The fraternal will increase its award to Immanuel Lutheran college, Greensboro, N.C., from \$500 to \$1,000 and has added 10 schools to its assistance program for the first time. Each will receive \$1,000.

They are Northwestern college, Watertown, Wis.; St. John's college, Winfield, Kan.; Concordia college, St. Paul; Concordia college, Portland, Ore.; California Concordia college; Concordia college, Milwaukee; Concordia college, Edmonton, Alberta; St. Paul's college, Concordia, Mo.; Concordia Collegiate Institute, Bronxville, N.Y., and Lutheran Concordia college of Texas. Altogether A.A.L. includes 19 colleges, universities, and seminaries in its educational assistance program.

Fraternal to Add Machines

Aid Association for Lutherans plans another step toward complete high speed mechanization of the home office with the installation of a master address file and a mailing machine. They are expected to be in operation by Oct. 1.

The address file will contain new Burroughs G-102 printer-punch which prints 20,000 or more labels an hour. The mailing machine will affix address labels to various mailing pieces at speeds up to 10,000 labels an hour. Employees affected by the reorganization of addressing operations will be reassigned to related functions.

Aid Assn., Lutherans, Has 91% Sales Gain in 3 Years; 21% in '55

Aid Association for Lutherans has had a three year sales gain of 91.9%, realizing 21.9% of this increase in 1955 when sales totaled \$143,664,517. Sales in 1954 were \$117,810,633.

During the three year period, A.A.L. insurance in force grew 43.2% from \$669,615,607 to \$958,267,480. It went up 11.3% in 1953, 12.6% in 1954, and 14.2% in 1955.

Assets grew 31.7% from \$148,945,300 to \$209,374,791 during the same period. Liabilities—including advance premiums, refunds and benefits deposited with the fraternal reserves required by law, and other reserves—increased 33.2% from \$142,459,489 to \$189,802,890.

The present ratio of assets to liabilities is 110.31% or 110.31 for every \$100 of liability. Net rate of interest earned in 1955 was 3.83%.

Benefits paid last year totaled \$6,391,524. The ratio of members' deaths to expected mortality continued low—27.79%. Surplus refunds paid or accreted to members reached \$4,082,839.

Commissions paid amounted to \$3,086,118. The 1955 home office payroll was \$1,385,602. Other operating expenses were \$858,819. The fraternal made payments of \$368,523 for fraternal and benevolent purposes.

Royal Neighbors Names Mrs. Towner as Receiver

Mrs. Geraldine Towner of Rock Island, Ill., has been named supreme receiver of Royal Neighbors of America, filling a vacancy created by the death last January of Miss Florence Mitchell who had been supreme receiver since 1954. Mrs. Mary Molinelli of Rock Island was appointed deputy supreme receiver.

An employee of the society for more than 11 years, Mrs. Towner has filled the post of supervisor in the accounting department since 1951. Previously, she was an accounting clerk. Mrs. Molinelli's career with Royal Neighbors started in 1934 in the accounting department. She transferred to the supreme receiver's department in 1946.

National of Vt. Names Joslin at Providence

National Life of Vermont has appointed William H. Joslin Jr. general agent at Providence.

Mr. Joslin has been with Connecticut Mutual Life in Providence for nine years. He is a CLU, a member of the 1955 Million Dollar Round Table and past president of Providence Assn. of Life Underwriters.

American United Life Adds 3 to Group Staff

American United Life has expanded its group department and added three men to the staff and promoted another. Serge E. Bushong joined the company as Indianapolis regional group manager. His territory includes Indiana, Ohio, Kentucky and Michigan. John G. Foyer was appointed group representative at Indianapolis, and William L. Meyers has been named group service manager. Peter C. Spoolstra, formerly group secretary for the company, has been named pension sales consultant.

National of Vt. Names Morton Supervisor in Charge at Peoria

National Life of Vermont has appointed William D. Morton supervisor in charge of the general agency at Peoria, Ill. Mr. Morton, a former school principal and superintendent, joined the agency two years ago.

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Home Office, Dallas

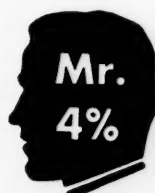
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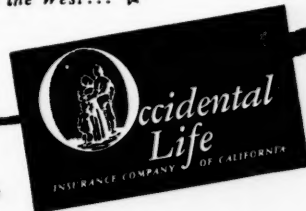
IT MAKES SENSE, we think, to offer Accident & Sickness policies providing life-time benefits not only for accidents — but also for sickness.

Makes sense, too, to write this benefit as liberally as possible . . . on a *non-confining* basis for sickness during the first two years of total disability.

And doesn't it make sense to provide as much income for a man disabled by sickness as by accident? We think so . . . that's why, for preferred risks, Occidental writes as much as \$600 monthly sickness benefits.

This, we submit, is Accident & Sickness protection with the accent on *complete* protection!

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Here At Minnesota Mutual we haven't been sitting in our office! Minnesota Mutual agency people spend most of their time on the street, with the Field, demonstrating before prospects that Minnesota Mutual tools *really work!* Getting out ourselves and proving it is the final . . . *and vital . . .* step in our concept of successful life insurance selling.

We Believe . . . first . . . in thoroughly organized sales methods. *Second . . .* tested and proven presentations aimed at selling life insurance to fit specific needs. *Third . . .* dramatic, convincing visual aids that trigger every presentation. Our Success Bond Story, Mortgage Cancellation Plan and unique Business Insurance Proposal are typical examples. Originated by Minnesota Mutual and improved constantly over the years, they have no peers in the industry.

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